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Review of management and administration in the United Nations Office on Drugs and Crime

Note by the Secretary-General

The Secretary-General has the honour to transmit to the members of the General Assembly the report of the Joint Inspection Unit entitled "Review of management and administration in the United Nations Office on Drugs and Crime" (JIU/REP/2010/10).

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JIU/REP/2010/10

REVIEW OF MANAGEMENT AND ADMINISTRATION IN THE UNITED NATIONS OFFICE ON DRUGS AND CRIME (UNODC)

Prepared by

Yishan Zhang
Papa Louis Fall
Tadanori Inomata

Joint Inspection Unit

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EXECUTIVE SUMMARY

Review of management and administration in the United Nations Office on Drugs and Crime

JIU/REP/2010/10

Objectives

This "Review of management and administration in the United Nations Office on Drugs and Crime (UNODC)" is part of a series of reviews of participating organizations undertaken by the Joint Inspection Unit in recent years. The objective is to identify areas for improvement in governance, executive management, administration, strategic planning and budgeting, human resources management and oversight.

Main findings and conclusions

The Office is mandated to assist Member States in their fight against drugs, crime and terrorism which fall in the priority spheres of the United Nations. The importance of the Office's mandates is increasingly recognized in the international community and most stakeholders considered that the Office delivers.

The Office was set up in 1997 by merging various United Nations entities. However, the original governing bodies, the Commission on Narcotic Drugs (CND) and the Commission on Crime Prevention and Criminal Justice (CCPCJ), were kept unchanged, so were the respective trust funds. As a result, both governance and financial frameworks are characterized by fragmentation, which impacts on the effectiveness and efficiency of the Office. Conscious of the difficulties, member States in 2008 initiated a governance review exercise by creating an open-ended intergovernmental working group aiming at improving the governance and financial situation of the Office. The Inspectors present in the report three options for enhancing governance arrangements and one concrete recommendation to have an integrated and more adhesive mechanism to govern and guide the activities of the Office.

The Office has to deal with complex financial management through two separate trust funds. The Inspectors encourage increased efficiency and streamlining of the financial management and believe that opportunities to merge the two trust funds should be explored.

The substantive and technical cooperation activities have expanded to new and diversified areas as a result of both the Office joining the peace, security and development agenda of the United Nations system, notably via partnerships with other international organizations and its efforts to attract increased financial support. This trend for expansion has somehow diluted the strategic vision and the prioritization functions within the Office. The Inspectors recommend to the Office that it conduct a thorough mandate review and a prioritization exercise on these mandates and related activities.

The Office faces a difficult situation: the increasing number of mandates and the expansion of related activities are not matched with financial and human resources. While the tightly earmarked voluntary contributions are increasing, the Office is lacking regular funding to secure its core functions. The Inspectors make several recommendations including one requesting the General Assembly to ensure that core functions of the Office be funded via regular budget resources to ensure that UNODC can carry out its mandates in a consistent and sustainable manner.

The rapid expansion of its field presence and technical assistance activities in the last decade heavily impacts on UNODC management today in many aspects: coordination and support from the headquarters to the field, adequacy of administrative rules and procedures, etc.

The report also highlights areas such as executive management (vision, management practices and communication) and human resources management (transparency, fairness, consistency of policies, training).

The Inspectors also studied the case of the independent quasi-judicial International Narcotics Control Board (INCB) and its secretariat and recommended that the administrative structure and reporting lines concerning INCB be changed.

Recommendations

The Inspectors made 14 recommendations; 12 are directed to the Executive Director, one is addressed to the Commission on Narcotic Drugs (CND) and the Commission on Crime Prevention and Criminal Justice (CCPCJ), and one is addressed to the General Assembly.

Recommendation 1

The Commission on Narcotic Drugs and the Commission on Crime Prevention and Criminal Justice should hold joint reconvened sessions that would serve as an integrated governing body, tasked to oversee budgetary and programmatic activities of the Office.

Recommendation 3

The General Assembly should ensure that core functions of the Office are funded by regular budget resources, starting at the 2012-2013 biennium, to enable UNODC to carry out its mandates in a consistent and sustainable manner.

CONTENTS

		Paragraphs	Page
	EXECUTIVE SUMMARY		3
	ABBREVIATIONS		6
I.	**INTRODUCTION**	1-14	7
	A. Scope, objectives and methodology	1-7	7
	B. An Office with diversified and demanding mandates	8-14	7
II.	**GOVERNANCE FRAMEWORK**	15-38	8
	A. Complexity of governance arrangements	15-21	8
	B. Options for improving governance	22-31	10
	C. Consolidated mandate review and prioritization exercise	32-38	11
III.	**FINANCIAL FRAMEWORK**	39-59	13
	A. Financing corporate functions remains a challenge	43-48	15
	B. Simplification of financial management	49-50	16
	C. Necessary efforts for reducing rigorous earmarking	51-56	17
	D. Fund-raising strategy to further enlarge the donor basis	57-59	18
IV.	**EXECUTIVE MANAGEMENT**	60-94	19
	A. Management attitude questioned by staff	63-64	19
	B. Organizational restructuring in 2010	65-68	20
	C. Lack of coordination reduces effectiveness	69-73	21
	D. Strategic planning and results-based management	74-83	22
	E. Challenges related to field presence	84-94	24
V.	**HUMAN RESOURCES MANAGEMENT**	95-112	27
	A. Human resources flagged as problematic	98-101	27
	B. UNODC workforce	102-105	28
	C. Gender balance and workforce diversity	106-110	30
	D. Insufficient training resources, uneven training opportunities	111-112	31
VI.	**OVERSIGHT**	113-121	32
	A. Oversight framework	113-119	32
	B. Towards a strengthened corporate evaluation capacity	120-121	33
VII.	**OTHER ISSUES**	122-130	33
	A. The International Narcotics Control Board	122-125	33
	B. UNOV/UNODC arrangements	126-128	34
	C. Information and communication technology services	129-130	35
VIII.	**SURVEY HIGHLIGHTS**	131-134	35

ANNEXES

I.	UNODC organizational chart	38
II.	Geographical diversity at Professional level and above (as of December 2009)	39
III.	UNODC field presence	40
IV.	Overview on action to be taken on recommendations	41

ABBREVIATIONS

ACABQ	Advisory Committee on Administrative and Budgetary Questions
CCPCJ	Commission on Crime Prevention and Criminal Justice
CEB	United Nations Chief Executives Board for Coordination
CICP	Centre for International Crime Prevention
CND	Commission on Narcotic Drugs
CPC	Committee for Programme Coordination
CPS	Co-financing and Partnership Section
DPA	Division for Policy Analysis and Public Affairs
DPKO	Department of Peacekeeping Operations
GPF	General Purpose Funds
ECOSOC	Economic and Social Council
FRMS	Financial Resources Management Services
FRS	Field Representatives Seminar
HRAP	Human Resources Action Planning Cycle
IEU	Independent Evaluation Unit
INCB	International Narcotics Control Board
ITS	Information Technology Section
JIU	Joint Inspection Unit
MDTF	Multi-Donors Trust Funds
MOU	Memorandum of Understanding
MRC	Management Review Committee
ODCCP	United Nations Office for Drug Control and Crime Prevention
OIOS	Office of Internal Oversight Services
PSC	Programme support costs
RBM	Results-based management
SPF	Special Purpose Funds
SPU	Strategic Planning Unit
UNCAC	United Nations Convention against Corruption
UNCTOC	United Nations Convention against Transnational Organized Crime
UNDCP	United Nations International Drug Control Programme
UNDP	United Nations Development Programme
UNODC	United Nations Office on Drugs and Crime
UNOV	United Nations Office at Vienna

I. INTRODUCTION

A. Scope, objectives and methodology

As part of its programme of work for 2010, the Joint Inspection Unit (JIU) conducted a review of management and administration in the United Nations Office on Drugs and Crime (UNODC), which is a component of the United Nations Secretariat. This report is part of a series of reviews of management and administration of participating organizations undertaken in recent years.

The objectives are to identify areas for improvement such as in governance, executive management, administration, strategic planning and budgeting, human resources management, oversight, etc., as well as to pinpoint best practices and share them with other United Nations system organizations. The 2008-2009 financial crisis noticeably and negatively impacted on the Office as its business model relies mainly on extrabudgetary contributions. It led to a severe cost-saving exercise in 2009 and an internal restructuring in 2010. At this critical moment, Member States embarked on an ambitious remedial exercise by setting up a working group on governance and finance.

In accordance with the JIU internal standards and guidelines and its internal working procedures, the methodology followed in preparing this report included an in-depth analysis of internal documentation as well as interviews with UNODC officials and staff representatives. Moreover, the Inspectors met with ambassadors/heads of delegations, including the Chairmen and members of the Commission on Narcotic Drugs (CND), the Commission on Crime Prevention and Criminal Justice (CCPCJ) and the Working Group on Governance and Finance as well as the regional groups, major donors and recipient countries. The Inspectors also attended the 2010 Field Representatives Seminar to dialogue with UNODC field representatives. The JIU review was welcomed as timely by both Member States and UNODC staff/managers.

The Inspectors solicited the opinions of UNODC employees from headquarters and field locations via an online staff survey. The responses provided useful insights into various aspects tackled in this report. In addition to presenting aggregated figures, the Inspectors made an extensive analysis of more than 1,500 separate remarks, comments and suggestions made via the open questions of the survey.

In accordance with the JIU statute, this report has been finalized after consultation among the Inspectors so as to test its conclusions and recommendations against the collective wisdom of the Unit. UNODC provided factual and substantive comments on the draft report that were taken into account in finalizing the report.

To facilitate the handling of the report and the implementation of its recommendations and the monitoring thereof, Annex IV contains a table specifying those recommendations that require a decision by the UNODC governing bodies and those that can be acted upon by the Executive Director.

The Inspectors wish to express their appreciation to all who assisted them in the preparation of this report, particularly to those who participated in the interviews and so willingly shared their knowledge and expertise. In order to avoid duplication, the review was conducted in coordination with the Office of Internal Oversight Services (OIOS) that carried out a governance audit of UNODC in 2010.

B. An Office with diversified and demanding mandates

The Office was created in 1997 by merging the United Nations International Drug Control Programme (UNDCP) and the Centre for International Crime Prevention (CICP). From the management point of view, the interrelated and transnational nature of drugs, crime and terrorism led, through successive administrative reforms, to the creation of a single entity tackling all these matters.[1] It was first called the United Nations Office for Drug Control and Crime Prevention (ODCCP) and renamed UNODC in 2002. UNODC is mandated to assist Member States in their struggle against illicit drugs, crime

[1] See A/51/950, paragraphs 143-145, ST/SGB/Organization, Section: UNDCP (1993), ST/SGB/1998/17 and ST/SBG/2004/6.

and terrorism in all its forms and manifestations. UNODC mandates are of primary importance and fall in the priority spheres of the United Nations as determined by the General Assembly in its resolution 63/247.

The Office combines normative services for effective implementation of international legal instruments; research and analysis capacities as well as technical assistance and capacity building activities in the field. This is reflected by the denomination of the three UNODC divisions (Treaty Affairs, Policy Analysis and Public Affairs and Operations), complemented by the Division for Management, which is in common at the United Nations Office at Vienna (UNOV).

Since its inception, the mandates entrusted to the Office have proliferated, in particular in the last decade in the field of crime prevention. However, these tasks have not been accompanied by a parallel increase of adequate regular budget resources. In turn, the structure and the internal procedures have not been adapted to the rising new challenges. This situation entails a major risk of it not being able to fully meet the mandates requirements.

The Office has expanded its field presence for carrying out a wide range of technical assistance activities. The political advisor and guardian of international conventions headquarters-based entity now coexists with a field network similar to a specialized agency delivering expert technical assistance/cooperation services. Whether the structure and the procedures were sufficiently adapted to match the requirements of this evolution is a key aspect in assessing UNODC. For example, the rules and procedures for managing human resources or dealing with procurement do not seem to be adequate in all situations to ensure effectiveness and are seen by many, especially those working in the field, as not conducive to organizational effectiveness.

The former Executive Director (2002-2010) focused his attention on integrating the activities of the Office into the peace, security and development agenda of the United Nations through an interrelated and interdisciplinary approach as well as on developing partnership with other international organizations. During the course of the preparation of this report, the United Nations Secretary-General appointed a new Executive Director who took office in September 2010.

Recent years have seen increased recognition of UNODC and its achievements, as reflected in the increase of extra-budgetary contributions, even though most are earmarked. The fact that the Office delivers despite difficult circumstances was generally highlighted by most of the interviewees. Nevertheless, this report flags the fragmentation which is persistent in many areas: fragmentation of governance framework affecting policy guidance and oversight, fragmentation of sources of funding affecting sustainability and predictability of resources and fragmentation of management affecting efficiency and effectiveness.

In preparing this review, the Inspectors came across a number of reports prepared by the Office of Internal Oversight Services (OIOS) in recent years containing critical assessments of UNODC as well as some of its field offices. The Inspectors have noticed that the efforts deployed by UNODC resulted in some improvements in terms of management compared to the critical situation of the Office at the early 2000s.

II. GOVERNANCE

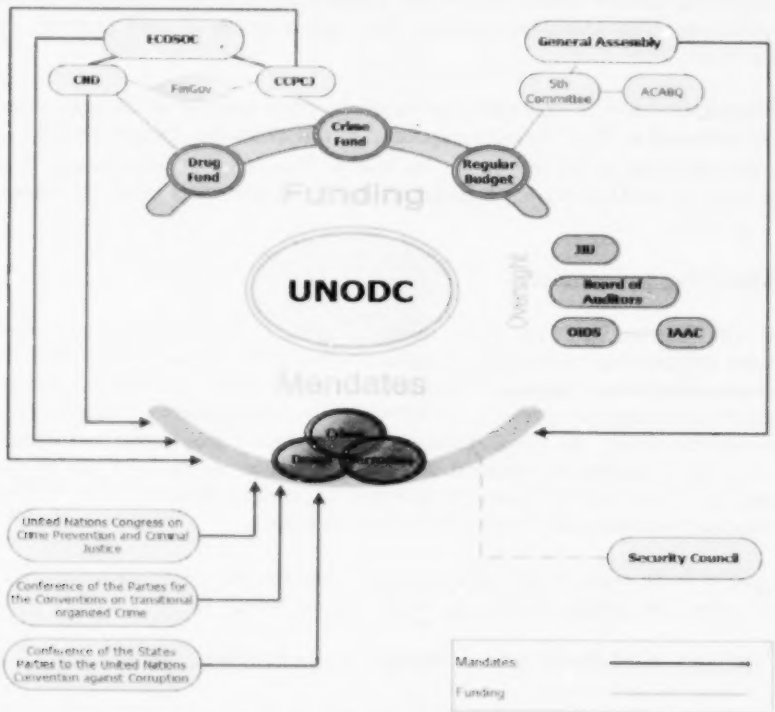
A. Complexity of governance arrangements

The Office is characterized by completely separate main governing bodies, namely the Commission on Narcotic Drugs and the Commission on Crime Prevention and Criminal Justice. The fragmentation and complexity of the governance framework of the Office are pictured in figure 1 below. In 2007, the OIOS Risk Assessment of UNODC concluded that the areas of strategic management and governance were at higher risk.[2] The Inspectors concur with the opinion that the governance arrangements present a challenge that is affecting the efficient functioning of the Office in fulfilling its mandates.

[2] See OIOS Report AE2007/361/0

Policy guidance and mandates originate from resolutions or decisions of multiple United Nations bodies. Besides the General Assembly and the Economic and Social Council and its two functional commissions, international conventions related to the Office's areas of work such as the three international drug control conventions, the United Nations Convention against Transnational Organized Crime (UNCTOC) and the Protocols, the United Nations Convention against Corruption (UNCAC) and the universal legal instruments against terrorism in all its forms and manifestations are all legally binding bodies. Other United Nations activities such as the Congress on Crime Prevention, the Millennium Declaration and the Counter-Terrorism Strategy add to the complexity of the mandates. Figure 1 also highlights the disconnection between mandates and funding.

Figure 1: UNODC governance framework



The reasons for governance fragmentation are historical: in the 1990s the entities responsible for the implementation of two different programmes on drugs and crime were merged into one Office while at the same time the two governing bodies (CND and CCPCJ) and their twin trust funds were kept as original and unchanged. The integrated substantive approach of drugs and crime issues was thus not reflected in the governance structure with policy and normative functions taking predominance in each commission within their respective substantive areas.

CND and CCPCJ have different memberships, agendas and priorities of concern. They currently operate in parallel, individually and separately. Repetitive actions have to be taken in various fora. For example, similar UNODC presentations and documents have to be presented to both commissions. The interval (one year) between the main sessions of CND and CCPCJ affect the effectiveness of governing bodies, as timely reactions and follow-up appears more difficult. Furthermore, the current length of the sessions provides little time to address management and administrative aspects during the operational segments. In the recent past, the commissions themselves have expressed some reservation on the effectiveness of UNODC governance arrangements, in particular in terms of monitoring of the Office activities.

The Inspectors perceived some disappointment and frustration among UNODC managers about the absence of timely and effective guidance to the Office from the commissions and their Member States. In turn, Member States shared their concerns with the Inspectors regarding the absence of consultation and transparency at various levels of UNODC, with criticism by major donor countries as well as recipient countries in areas such as project design and implementation (self-initiatives), allocation of resources, structure and staffing composition, data and figures utilized in reports or publications.

In 2008, Member States embarked in an ambitious governance review exercise by creating an open-ended intergovernmental working group on improving the governance and financial situation of the United Nations Office on Drugs and Crime[3] (hereafter the "WG FinGov"). The Inspectors welcome this initiative that provides an avenue to create a dialogue not only within the Member State community, donors and recipient countries, but also with UNODC senior management. As a consequence, Member States and UNODC gained a better understanding of each other's constraints, preoccupations and expectations. The Inspectors consider that such a forum, if used properly, should serve as a confidence-builder for the future.

CND and CCPCJ institutionalized the WG FinGov for a period of two years, with the understanding that its dynamics and concrete results should be evaluated in 2011.[4] In that perspective, a clear evaluation framework will need to be discussed and agreed upon since the resolution is not precise on that matter. The WG FinGov is tasked to submit to the two commissions recommendations on administrative, programmatic and financial matters within the areas of their respective mandates.

B. Options for improving governance

During their discussions with Member States and senior managers of the Office, the Inspectors were impressed by the common interest for a more integrated and coherent governance mechanism that would ensure more effective scrutiny of the Office's activities. Some interviewees suggested budgetary and programmatic mechanisms similar to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and the Committee for Programme Coordination (CPC) while some others proposed the setting up of an executive board/executive programme and budget committee. The objective is to create an effective mechanism ensuring that UNODC senior management and Member States reach a sufficient level of dialogue and understanding in order to prioritize and monitor the work of the Office and its activities, and make the link with necessary and adequate resources to achieve its goals.

The Inspectors were urged to make concrete recommendations to improve the future governance arrangements of the Office. In the Inspectors' opinion, the options at stake can be summarized as follows:

Option 1: Institutional reform: merging of two ECOSOC commissions

The concept of merging the two commissions could be traced back to the time when the Office was established by combining the separate drug and crime programmes. This option represents a major change of the basic structure of the Economic and Social Council, in particular concerning CND which had been in existence since the very beginning of the United Nations. The primary benefit would be to align the governing scheme to the administrative structure and provide the conditions to act in an integrated manner for policy guidance, financial responsibility and programmatic decisions among Member States. At the same time, it would reduce duplication and difficulties caused by the present dual governance framework.

Though believed by many to be the root option to solve problems, the Inspectors are conscious that the institutional reform depends on the political willingness of Member States and that it is a time-consuming exercise. The abolition of the Commission on Human Rights, another functional commission of the Economic and Social Council, and its replacement by the Human Rights Council offered an illustrative example. It took years to discuss and negotiate issues like mandates, membership and other related arrangements.

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[3] Commission on Narcotic Drugs decision 51/1 and Commission on Crime Prevention and Criminal Justice decision 17/2.

[4] See CND resolution 52/13, CCPCJ resolution 18/3 and Economic and Social Council decision 2009/251.

In the opinion of the Inspectors, the option of having one commission dealing with both drugs and crime issues should be fully explored in the long run, but it could not solve at once the current difficulties in governance.

Option 2: Institutional addition: creating an executive body

To set up an additional body such as an executive board or a programme and budget committee and task it to oversee specifically the strategic management, the budget and the activities of the Office. This option provides a more permanent governance and oversight mechanism. Other United Nations entities do have similar mechanisms such as the Executive Board for UNDP, the WFP Executive Board or the Executive Committee for UNHCR.

However, UNODC is the only United Nations entity to have two parallel governing bodies, which have brought with them a delicate situation in governance. In the view of the Inspectors, if such a board or committee were to be set up its relationship with the two Commissions, its reporting lines should be clearly stipulated. The Inspectors would like to warn that a major drawback of this option is that it might add another layer to the current already quite complex governance. It should not be underestimated in terms of investment for such a mechanism, especially when the Office is experiencing financial constraints.

Option 3: Institutional improvement: combining the reconvened sessions

CND and CCPCJ reconvened sessions provide an opportunity for Member States to discuss organizational and financial matters related to UNODC. These sessions are currently held back to back, separately and independently, in practice during the same week in the later half of the year. Agenda and documentation are similar.

This option stands for a combined meeting of the reconvened sessions of both commissions with their roles and functions adjusted or converted so as to serve as a strengthened budgetary and programmatic mechanism. This option would not only offer opportunities for cost savings and streamlining the organizational and servicing aspects but also would provide to a certain extent, a framework for a more integrated approach of substantive issues.

In the Inspectors' views, option 3 appears to be the more actionable scenario at this point in time. They trust that it could provide a framework for a more integrated, more effective and coherent governance structure, if provided with sufficient level of commitment from Member States. **The Inspectors suggest combining the current reconvened sessions for an initial period of three years, so as to test the effectiveness of the new arrangements and its impact on the Office's governance. Member States would then be in a position to decide whether or not this arrangement is satisfactory.**

The implementation of the following recommendation is expected to improve the effectiveness of the governance arrangements of the Office.

Recommendation 1

The Commission on Narcotic Drugs and the Commission on Crime Prevention and Criminal Justice should hold joint reconvened sessions that would serve as an integrated governing body providing policy guidance to the Office, tasked to oversee budgetary and programmatic activities.

C. Consolidated mandate review and prioritization exercise

As noted by the Secretary-General when conducting a mandate review exercise in 2006,[5] the activities of the United Nations in the fields of drug control, transnational crime prevention and combating terrorism have expanded considerably with direct consequences on the Office which is a key player in these areas. At that time, the Secretary-General had

[5] A/60/733, report of the Secretary-General on "Mandating and delivering: analysis and recommendations to facilitate the review of mandates".

identified 364 mandates of various nature (reporting obligations, preparation of studies, conferences organization, normative or technical assistance) for which UNODC was the implementing entity. In addition, the Office is also acting as secretariat for several international conventions such as the United Nations Convention against Corruption (UNCAC) and its Convention against Transnational Organized Crime (UNCTOC) that entered into force in the last decade.

One of the findings that the Inspectors wish to stress is the number of positive responses collected among staff concerning the diversity of UNODC mandates. It is remarkable that 66 per cent of the respondents are of the opinion that the diversity of UNODC mandates has positively impacted their work and activities. However, the respondents also consider that the integration of these mandates is far from being achieved, with only 25.2 per cent and 20.3 per cent of positive expressions regarding integration of programme/project design and activities, respectively.

Tables 1 and 2: Views of various categories of UNODC employees on mandate diversity (in percentage)

Has the diversity of UNODC mandates (drugs, crime, etc.) impacted your work and activities?				
	Yes, positively	**Yes, negatively**	**No**	**Don't know**
All employees	66.6	6.9	16.7	9.8
International Professional staff only	63.7	14.0	15.1	7.3
P-5 and above	66.7	18.8	12.50	2.1
Headquarters staff	56.8	11.1	20.1	12.0
Field staff	72.9	4.2	15.2	7.7

In your view, is there sufficient integration between drugs and crime issues in UNODC programme and project design?				
	Yes	**Somewhat**	**No**	**Don't know**
All employees	25.2	40.7	17.7	16.4
International Professional staff only	15.6	44.1	32.4	7.8
P-5 and above	31.3	31.3	29.2	8.3
Headquarters staff	18.8	40.2	20.1	20.9
Field staff	29.5	40.8	16.7	13.1
In your view, are UNODC activities with regard to drugs, crime and terrorism mandates sufficiently integrated?				
	Yes	**Somewhat**	**No**	**Don't know**
All employees	20.3	38.5	23.5	17.7
International Professional staff only	11.2	39.1	40.8	8.9
P-5 and above	25.0	31.3	35.4	8.3
Headquarters staff	16.7	36.8	24.4	22.2
Field staff	22.6	39.0	23.8	14.6

Source: JIU survey 2010

The type and sources of funding as described in Chapter III give limited predictable income for UNODC programme support and administrative functions and no secured funds for the implementation of operational and technical activities as approved by the commissions. There is thus a risk concerning mandate implementation.

The Inspectors reviewed the notes prepared in 2008 by UNODC for CND at its fifty-first session and CCPCJ at its seventeenth session, respectively, which contain information on the "implementation status and resources requirements of resolutions and decisions adopted by the General Assembly, the Economic and Social Council and the commissions

themselves in which the Office action was requested for the period 2003-2007".[6] While UNODC presents a high rate of compliance of its reporting obligations, the implementation status of operational or technical assistance mandates faces some real difficulties. In the crime prevention and criminal justice area, partly implemented mandates represented 33 per cent of operational and technical assistance mandates, in most of the cases allegedly due to lack of resources. Twenty-one per cent of actions requested of the Office were recorded as ongoing assignments. In the drug area, operational and technical mandates were fulfilled at 22 per cent while partly implemented represented 37 per cent for the same budgetary reason. Ongoing implementation concerned 37 per cent of the cases. In both drug and crime matters, mandates not implemented were estimated at fewer than 10 per cent. Given the fragmentation of the governance, it is a challenge to have a consolidated vision of mandates and missions entrusted to the Office. The Inspectors believe that it is time to have a thorough review of these mandates and missions in order to provide a consolidated picture to the Member States of all governance bodies. That would provide better information to Member States to enable more effective and informed guidance. The 2008 notes are a valuable basis that should be completed, updated and expanded to cover all policy guidance bodies.

On that basis, the Member States would be in a position to reassess ongoing mandates, as well as their relevance and resources availability. Member States could determine their prioritization scheme and further develop an integrated approach to tackle drugs, crime and terrorism substantive issues. In turn, the Executive Director would be in a position to align the Office to work on the basis of a reconfirmed framework and allocate resources accordingly taking into consideration existing limitations. The Inspectors believe that such exercise would contribute to enhance the coherence of the Office' work. Ideally, it should be complemented by a functional review of all UNODC units to have them fully aligned to the priorities as defined.

As for other United Nations entities, the Inspectors consider that Member States should be informed about the financial implications of resolutions adopted by the commissions as well as on UNODC capacities to meet their operational requirements prior to the resolutions' adoption. In the financial context in which UNODC operates, it is of primary importance that new missions and assignments entrusted to the Office be systematically accompanied by clear programme budget implications statements discussed by the commissions.

The implementation of the following recommendation is expected to enhance the effectiveness of the Office in delivering and fulfilling its mandates.

Recommendation 2

The Executive Director should establish a consolidated review of all mandates entrusted to the Office, including resources required and allocated, as well as status of implementation. On that basis, the Executive Director should submit, at the earliest opportunity, a prioritization document to the Commission on Narcotic Drugs and the Commission on Crime Prevention and Criminal Justice.

III. FINANCIAL FRAMEWORK

The Office has a fragmented structure of funding mechanisms with resources composed of multiple sections of the United Nations regular programme budget (Sections 16 and 22 as well as Sections 1 and 28F for the United Nations Office at Vienna) and of the two trust funds, namely the Fund of the United Nations International Drug Control Programme and the United Nations Crime Prevention and Criminal Justice Fund overseen by respective commission. Each fund is divided into un-earmarked contributions, earmarked contributions and Programme support costs resources. The fragmentation is entailed in the financial rules which state that biennial budget should distinguish between the International Drug Control Programme Fund and the Crime Prevention and Criminal Justice Programme Fund and that the accounting of the funds should also be distinguished.

[6] See E/CN.7/2008/13 and E/CN.15/2008/18.

Box 1. Definitions

Definitions from Article II of the Financial Rules of the United Nations Office on Drugs and Crime (2008)

General Purpose Funds (GPF) shall mean "un-earmarked voluntary contributions to the UNODC Funds that are provided to finance executive direction and management, programme and programme support component of biennial budget";

Special Purpose Funds (SPF) shall mean "earmarked voluntary contributions to the UNODC that are provided to finance technical cooperation and other activities";

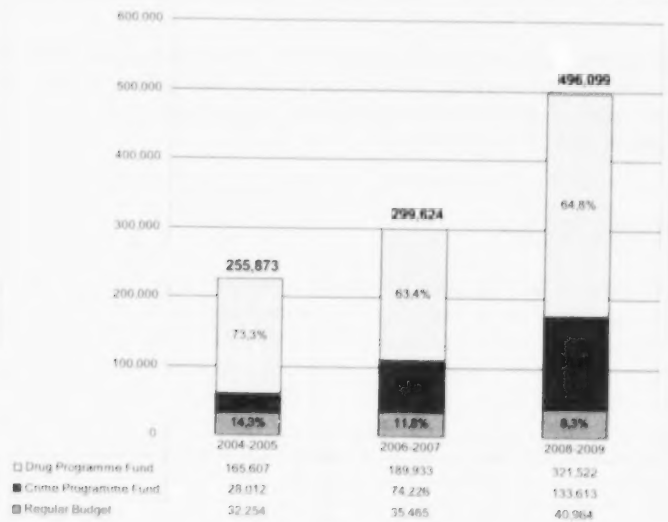
Programme support costs (PSC) shall mean "the indirect costs recovered in support of activities financed from voluntary contributions".

The delicate financial situation of the Office has been at the centre of interest for years and has been widely commented. Figures 2 and 3 below highlight the evolution of UNODC resources and picture the fragmentation of UNODC budgetary framework as well as the distribution of resources among its trust funds (while the drug control programme fund still represents more than two third of the overall budget, the weight of the crime prevention and criminal justice fund has significantly increased).

Member States and UNODC officials agreed during interviews that one of the major factors most affecting the efficiency and effectiveness of UNODC is its financial situation. This opinion was confirmed by the survey. In the recent past, the lack of resources has triggered reductions in, for example, travel, consultancies, training, operating expenses and contractual services.

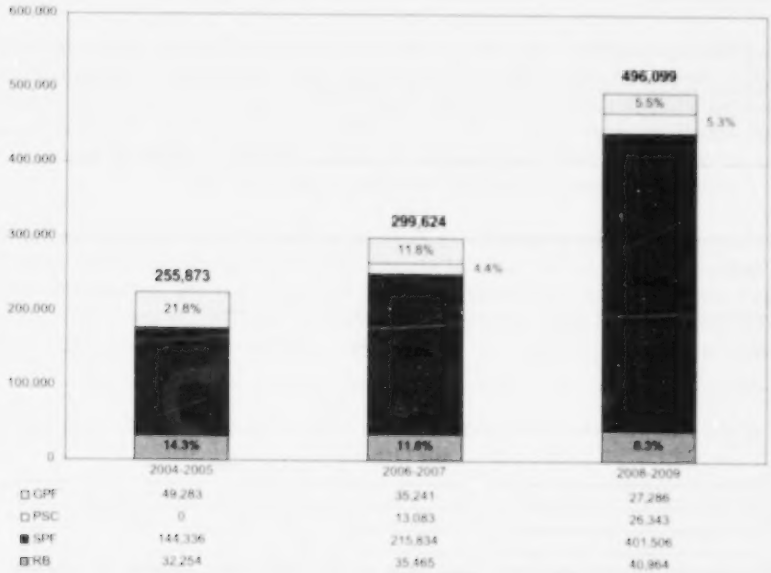
Since 2004-2006, there has been, however, a sharp increase of UNODC overall funding (reaching 466,099 million USD in 2008-2009) with a percentage growth of almost 120 per cent. However, this favourable evolution hides problematic aspects that might affect the Office's functioning and implementing capacity: this augmentation mainly corresponds to more earmarked contributions related with spectacular augmentation of UNODC projects and activities of all kinds, together with a decline of non-earmarked contributions.

Figure 2: Evolution of UNODC budget (based on expenditures), 2004-2005 to 2008-2009, in millions of USD



Note: Data consolidated using Board of Auditors reports (A/63/5/Add.9 and A/65/5/Add.9).

Figure 3: Distribution UNODC budget (based on expenditures) by source of funding, 2004-2005 to 2008-2009, in millions of USD



Note: Data consolidated using Board of Auditors reports (A/63/5/Add.9 and A/65/5/Add.9). Until 2006-2007, programme support costs were classified as general purpose.

A. Financing corporate functions remains a challenge

At UNODC, core functions should be financed primarily from regular budget resources and General Purpose Funds (GPFs). With the increase of its mandates and the development of its field network, the roles and functions of UNODC have expanded considerably. However, the expansion was not accompanied with matching human and financial core resources. Despite the fact that assessed United Nations contributions (regular budget, or RB) have increased since 2004-2005 in nominal terms (by 27 per cent), the Inspectors noted that the RB share of the overall UNODC budget has in fact decreased from 14.3 per cent in 2004-2005 to 8.3 per cent in 2008-2009.

At the same time, aggregated resources from RB and GPFs represented 36.1 per cent of the financial capacity in 2004-2005 but dropped to only 19.1 per cent four years later (including PSC). GPF resources in each of the funds are critical to finance corporate management functions and support services but are sharply declining. The ratio of GPF versus SPF has been deteriorating for several years now and there is no sign to be seen for improvement which is worrisome for the sustainability of the Office.

The Inspectors noted that some key corporate functions of the Office are not funded by assessed contributions (such as the Director of the Division for Operations, the Chief of the Financial Resources Management Service, the Chief of Information Technology Services, the Chief of the Strategic Planning Unit, the UNODC spokesperson, some of the evaluation officers, substantive officers in several branches, etc.).

As a matter of fact, the General Assembly Fifth Committee also "expressed concern regarding the overall financial situation of UNODC, and requests the Secretary-General to submit proposals in his proposed programme budget for the biennium 2012-2013 to ensure that the Office has sufficient resources to carry out its mandate".[7]

The Inspectors concur with the consensus view by Member States of Vienna-based permanent missions and UNODC senior management that an increase of core resources is needed in order to secure basic corporate functions. This could be achieved either by receiving a larger allocation from the United Nations regular budget or by a stronger commitment to increased and sustained contributions to GPFs, or by a combination of both means. Previous statements encouraging Member States to commit a share of their contributions to general-purpose funding to ensure a sustainable balance between GPFs and SPFs contributions have not produced a sufficient effect.

Therefore, the Inspectors consider that the request for an increase of regular budget resources as introduced by the Office for the 2012-2013 biennium, notably on the basis of General Assembly resolution 64/243 (para. 83), merits further attention to secure more sustained and predictable resources to ensure stability of UNODC structure. However, a precondition is that key corporate functions are clearly identified by UNODC in the context of an agreed and well supported strategic long-term vision based on the mandate review as recommended above in Chapter II (recommendation 2).

The implementation of the following recommendation is expected to enhance the efficiency and the effectiveness of the Office.

Recommendation 3

The General Assembly should ensure that core functions of the Office are funded by regular budget resources, starting at the 2012-2013 biennium, to enable UNODC to carry out its mandates in a consistent and sustainable manner.

B. Simplification of financial management

The funding structure involves a cumbersome process for the preparation and presentation of the biennial budget, as the approval of the budget by governing bodies has not been consolidated. The comment made by the Executive Director in 2008 on this issue is self explanatory: "UNODC still prepares and presents two budgets: its regular budget submission to United Nations Headquarters (for inclusion in the programme budget of the United Nations) and a budget on its voluntary funds, the consolidated budget, to the Commission on Narcotic Drugs and the Commission on Crime Prevention and Criminal Justice. The two budget documents contain the same information, albeit with a different focus, and are presented to the Advisory Committee on Administrative and Budgetary Questions on two different occasions and to Member States on three different occasions. UNODC also prepares two sets of accounts according to different schedules, accounts that are audited separately".[8]

UNODC has to work with two separate trust funds which is not conducive for effectiveness. The issue of merging the two existing trust funds had been discussed in the past at CND and CCPCJ, without reaching any concrete conclusions. Believing that the fund-merging could streamline the financial management and increase the efficiency and effectiveness of the Office, but also conscious that such merging supposes a sufficient level of confidence from donors, the Inspectors wish to raise the issue again and call for a feasibility study to take stock of potential benefits and difficulties related to such adjustment of the financial structure. To address Member States' concerns, it should be possible to manage drugs and crime programmes allocations within the same fund, in full transparency and more effectively.

[7] A/64/548/Add.1, op 85.

[8] See E/CN.7/2008/11-E/CN.15/2008/15.

The implementation of the following recommendation is expected to enhance the effectiveness of the financial management of the Office.

Recommendation 4

The Executive Director should commission a study on the feasibility, benefits and drawbacks of merging the Fund of the United Nations International Drug Control Programme and the United Nations Crime Prevention and Criminal Justice Fund and report thereon to the Commission on Narcotic Drugs (CND) and the Commission on Crime Prevention and Criminal Justice by the end of 2012 at the latest.

C. Necessary efforts for reducing rigorous earmarking

Earmarking is a delicate and sensitive issue, sometimes bearing political connotations and mainly decided by the donor's policies. Generally speaking, the earmarking practice impacts on planning, prioritization and resources allocations, especially coupled with the decline of core resources. It also entails a risk of shifting priorities at the implementation stage since resources contributed by donors are often strictly earmarked to specific projects, which is very much the case of UNODC, therefore limiting flexibility in the use of resources and the prioritization. In 2008-2009 contributions to SPFs represented as much as 80.9 per cent of UNODC funding. To some extend, strict earmarking also results from the fact that UNODC mandates are broad in nature and donors wish to target their financial support to precise areas of work.

The Inspectors are concerned by the fact that while Member States show willingness to invest in UNODC activities through contributions to SPFs, either for mandate implementation or for national project execution, they are reluctant to invest in UNODC basic structure via the GPFs. As a matter of fact, one UNODC representative addressing the CND 51st session warned that "UNODC could soon find itself in a position where it would have to refuse extra-budgetary contributions linked to specific projects because the general-purpose funds were not sufficient to meet operational costs".[9]

At UNODC, there is no institutional mechanism that links the contributions made to the SPF with contributions to GPF. In the view of the Inspectors, unless such a mechanism is developed and implemented, there is a permanent risk of financial tensions.

To some extent, its financial situation forces the Office itself to adapt to the earmarking trend by designing projects capable of sparking off funding in a "popular" area and therefore securing resources for the organization. The constant pressure to search for money translates into a trend for expansion of activities by including a wide range of substantive areas not directly related to its core mandates. This spreading is not always well understood by UNODC staff as shown by multiple comments expressed via the survey. The thematic and regional programming initiatives described in Chapter IV are an attempt to introduce more flexibility into earmarking practices and increase predictability via multi-year pledges.

During interviews, some Member States attributed the strong earmarking to the absence of sufficient level of transparency, not only in the allocation of resources but at various levels within the Office and also to what they consider as insufficient oversight in their eyes. The Inspectors learned with concern that some donors apply earmarking to their contributions to UNODC while they do not do so when contributing to other organizations which shows that there is room for improvement.

Joint efforts, from both donors and UNODC, are needed in order to reduce the strict earmarking of contributions. The Office should further improve the transparency of its processes, continue to improve its reporting and information sharing capacities, and increase the user-friendliness of documents when communicating to Member States. The latter should, through CND and CCPCJ, appeal to donors to refrain from earmarking and to further develop when applicable a practice of multi-year pledging.

[9] E/2008/28-E/CN.7/2008/15.

UNODC should take further and concrete measures to build up donors' confidence by demonstrating accountability at all levels of the Office, both for programme implementation and senior management practices. As a first step, the Executive Committee (Excom, see Chapter IV) confirmed the need to create a specific mechanism to monitor UNODC's financial situation on a more regular basis. It translated into regular briefings of the divisions' Directors by the Chief of the Financial Resources Management Section. In the Inspectors' opinion, this could be expanded into an institutional mechanism such as a resources allocation committee to review the financial situation and oversee the strategic prioritization in the allocation of resources and prioritize fund raising appeals. The existence of such committee could also contribute to raise transparency and confidence of donors so as to strive for reducing earmarking of contributions.

The implementation of the following recommendation is expected to enhance the effectiveness and transparency of the Organization.

Recommendation 5

The Executive Director should institute a corporate mechanism to oversee the financial situation of the Office and to determine overall resource allocation, notably aiming at increasing transparency so as to strive for reducing earmarking of contributions.

D. Fund-raising strategy to further enlarge the donor base

UNODC categorizes its donors into five main groups as shown in Table 3. UNODC relies for more than two thirds of its extrabudgetary (XB) contributions on one category of donors, even more when adding other categories such as the multi-donor trusts funds or the international financial institutions which are also mainly relying on the same pool of countries. It is a positive sign to note that this dependence has been significantly lowered since 2005; it has been largely boosted by bilateral contributions for national execution projects for which implementation is delegated to UNODC. The Inspectors noted with satisfaction that the share of the category of emerging and national donors has more than doubled in the last five years. Despite a significant drop from 2008 to 2009, it represents a share of over 25 per cent of the extrabudgetary income for UNODC.

Table 3: UNODC donors respective share of extrabudgetary contributions (2005-2009), in percentage

UNODC donor category	2005	2006	2007	2008	2009
Major donors	83.5	61.5	71.7	53.9	64.7
Emerging and national donors	10.5	31.7	21.2	38.7	25.6
United Nations agencies	3.9	5.1	6	3.5	5.4
Multi-donor trust funds	0	0	0	2.1	2.3
IFIs and IGOs	1.7	1.3	0.8	0.8	1.1
Private sector	0.4	0.4	0.3	1	0.8

Source: UNODC Annual reports 2006-2010.

The International Monetary Fund Executive Board recently reformed itself, increasing the quotas for the emerging markets and developing countries. The World Bank had already taken similar actions. These changes are in recognition that developing countries are playing an increasing role in world economy. In the view of the Inspectors, UNODC should continue its efforts to further enlarge its donor base from among developing countries, in particular those with emerging markets, as well as towards the private sector.

The current management instruction on fund-raising[10] lacks a clear statement on UNODC strategic approach to resources mobilization. It focuses on overall policy and procedures. The Inspectors recommend updating the document, notably to include more strategic aspects.

The implementation of the following recommendation is expected to enhance the effectiveness of the Office.

Recommendation 6

The Executive Director should formulate a fund-raising strategy to further enlarge the Office's donor base.

IV. EXECUTIVE MANAGEMENT

At UNODC, the main management mechanisms are: (a) the Executive Committee (Excom); (b) the Management Review Committee (MRC); (c) the UNODC senior staff meeting, and (d) the Divisions' meetings.[11]

The Excom is intended to be the main forum for decision-making at the highest level. It is a common UNOV/UNODC body composed of all directors of both entities as well as other senior officials. It may lack appropriate focus on UNODC specific issues and thus have limited effect as a senior management committee for the office. The Inspectors studied the records of Excom meetings in recent years as well as the monitoring tables of its decisions and noted that meetings were more of an information sharing opportunity. **In the Inspectors' opinion, there is room for strengthening the Executive Committee and have it to focus more on substantive and strategic management (vision) with particular interest of UNODC. Its senior management should assess if this can be achieved in the current UNOV/UNODC format of the Excom or via a UNODC-dedicated mechanism.**

The MRC was replaced by the Senior Management Team in April 2010. Its terms of reference are limited in scope and focused on performance management issues and staff development plans. Discussions regarding individual's performance appraisal (e-PAS) are generally limited to compliance and average rating. The Inspectors encourage senior managers to further explore how individual performance appraisal could be a more effective tool for managing staff in the context of an organization characterized by job uncertainty. The former Executive Director also expressed his concerns that the e-PAS was not used adequately by some of the managers.

A. Management questioned by staff

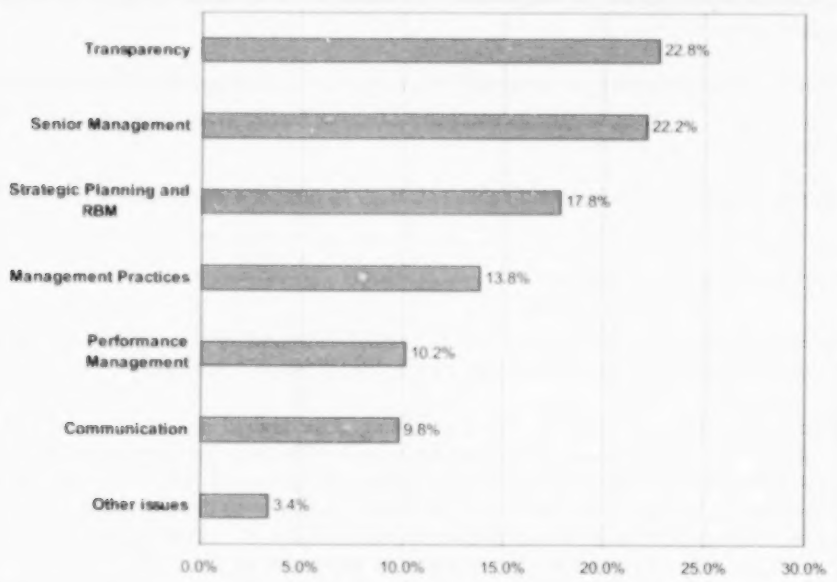
As far as executive management is concerned, improvements are significant as compared to a decade ago. Nevertheless, the Inspectors received a considerable number of comments revealing dissatisfaction of staff with overall management of the Office and with senior managers in particular, showing that staff morale is low in the Office. Lack of transparency in decision making, absence of sufficient communication and encouragement to open discussions, absence of follow-up to decisions, mismanagement, etc. are frequently cited as examples of concerns as shown in figure 4 below.

The Inspectors are convinced that urgent attention should be given to overall management in order to create a better atmosphere and conditions for effectiveness. In that spirit, UNODC senior management should ensure that institutionalized mechanisms of dialogue and communication with staff are undertaken on a regular basis and provide a real forum for exchange of views in order to increase staff ownership of decisions directly affecting their working conditions and environment.

[10] UNODC/MI/6/Rev.1.

[11] See UNOV/DGB.13/Rev.1-ODCCP/EDB.13/Rev.1 June 2002.

Figure 4: Areas of concern of UNODC employees regarding executive management



Source: JIU survey 2010.

B. Organizational restructuring in 2010

UNODC has implemented an organizational restructuring in April 2010 that was triggered not only by financial difficulties requiring some streamlining of the structure but also by previous oversight recommendations that pointed out duplications, overlaps/gaps of substantive or administrative functions as well as a lack of coordination and the existence of internal competition. The guiding principle of the realignment exercise was to consolidate thematic expertise to increase substantive integration of themes by redeploying sections and units of two divisions, namely the Division for Operations and the Division for Treaty Affairs.

At the time of the Inspectors' review, the structural changes were too recent to enable drawing any conclusion on its positive or negative aspects. However, some remarks were made to the Inspectors, mostly regretting that the exercise was partial, involving only two of the four divisions of UNODC and therefore could be considered as a missed opportunity to further align the structure with the mandates of the Office.

The Inspectors also received comments from staff expressing concerns on a constant restructuring pattern at UNODC. The reasons for organizational restructuring are not always obvious for staff and not clearly communicated to them. Some interviewees strongly questioned the rationale for the administrative changes, stressing their impression of the realization of a personal agenda above the organization's benefit, in some cases.

Following the mandate review and the prioritization exercise (recommendation 2), the Inspectors would also advise the Executive Director to conduct a functional review of all UNODC divisions, sections and units, and align them to the reconfirmed and prioritized framework for action of the Office, including by reorienting human and financial resources if necessary.

The implementation of the following recommendation is expected to enhance the effectiveness of the Office.

Recommendation 7

The Executive Director should conduct a functional review of all UNODC divisions, sections and units, in order to align them as part of a reconfirmed and prioritized framework for action of the Office as proposed in recommendation 2.

C. Lack of coordination reduces effectiveness

The lack of coordination and even some competition between UNODC entities have been pointed out by previous oversight reports. These problems are the result of merging entities of different origins and two different cultures into a single Office. It is also the consequence of the financial context in which activities of each unit are highly dependent on the voluntary contributions raised.

Table 4 displays the survey results on coordination and cooperation of UNODC divisions/departments/units on one hand and between Headquarters and field level on the other hand. Indeed, coordination issues were repeatedly pointed out as problematic by interviewees occupying various hierarchical levels. The table also shows that opinions expressed vary significantly according to the category of respondents. The Inspectors noted that the views of international professionals were more critical. Interestingly, the assessment made by Headquarters staff is consistently more critical compared to the feedback from the field. In addition, UNODC employees are critical on the way responsibilities and work processes are documented which could impact on the internal effectiveness of the Office.

As an example, the Inspectors heard repeated comments on the absence of coordination in fund-raising activities and even on competition between units/offices that are tempted to mobilize funds for their own projects, therefore securing their existence. This also appears to contribute to divert officers from the substantive aspects of their work.

The Inspectors recommend that UNODC review its current coordination mechanisms and their effectiveness in order to identify either duplication or redundancy in processes or bypassing and overlapping practices.

Table 4: Views of various categories of UNODC employees on coordination issues (in percentage)

Do you consider that there is sufficient coordination and cooperation among divisions/departments/units at UNODC?				
	Yes	**Somewhat**	**No**	**Don't know**
All employees	20.2	39.7	34.3	5.7
International Professional staff only	9.4	34.4	54.4	1.7
Headquarters staff	14.4	37.4	43.2	4.9
Field staff	23.6	42.0	28.9	5.5
Do you find that the level of coordination and cooperation between Headquarters/Field Offices is adequate?				
	Yes	**Somewhat**	**No**	**Don't know**
All employees	20.4	40.1	31.0	8.5
International Professional staff only	7.8	35.0	53.9	3.3
Headquarters staff	12.3	42.0	34.2	11.5
Field staff	25.7	38.8	30.0	5.5

Do you find that respective responsibilities and work processes among divisions and/or departments are clear and well documented?				
	Yes	Somewhat	No	Don't know
All employees	20.0	39.6	31.4	9.0
International Professional staff only	6.7	38.9	48.9	5.6
Headquarters staff	12.3	44.0	35.8	7.8
Field staff	24.8	36.2	29.2	9.9

Source: JIU survey 2010

As a good practice, the Inspectors noted the annual Field Representatives Seminar (FRS) serving as an internal coordination mechanism which involves UNODC regional and country representatives and officials from various sections at Headquarters. In addition to substantive discussions, the seminar tackles a wide range of management and administrative issues that are addressed and discussed in a collective manner. It is an opportunity for field managers to directly interact with managers at Headquarters, both in collective session and in bilateral meetings. The Inspectors see it as a useful forum to increase mutual understanding of respective capacities, constraints, procedures, functions, achievements, etc. that could alleviate a certain feeling of disconnection with Headquarters.

The implementation of the following recommendation is expected to enhance overall coordination within the Office and therefore its effectiveness.

Recommendation 8

The Executive Director should undertake a comprehensive review and assessment of coordination mechanisms and procedures within the Office and take appropriate measures for improvement by the end of 2012.

D. Strategic planning and results-based management

Strategic planning has undergone a major development at UNODC with the adoption of the UNODC Medium-term Strategy for the period 2008-2011 complementing the corresponding programme of the United Nations Strategic Framework.[12]

Whether the UNODC mid-term strategy was sufficiently addressing strategic issues and would be used as a strategic management tool to develop a common vision for UNODC generated mixed comments from interviewees. The Inspectors received repeated comments on the absence of a long-term vision for the Office and its missions, or at least the absence of a clear communication of this vision to all units and staff. This situation is also the result of the trend observed in recent years during which UNODC positioned itself in many different areas to capture financial support. As shown in figure 5 below, UNODC launched in recent years regional and thematic planning initiatives. Supported by Member States, the ongoing thematic[13] and regional programming is an attempt to reconcile numerous fragmented and sporadic projects into a more strategic and consolidated set of programmes. The Inspectors could perceive through their interviews and their review of programming documents a strong internal commitment and a proactive attitude to adjust the process and build it

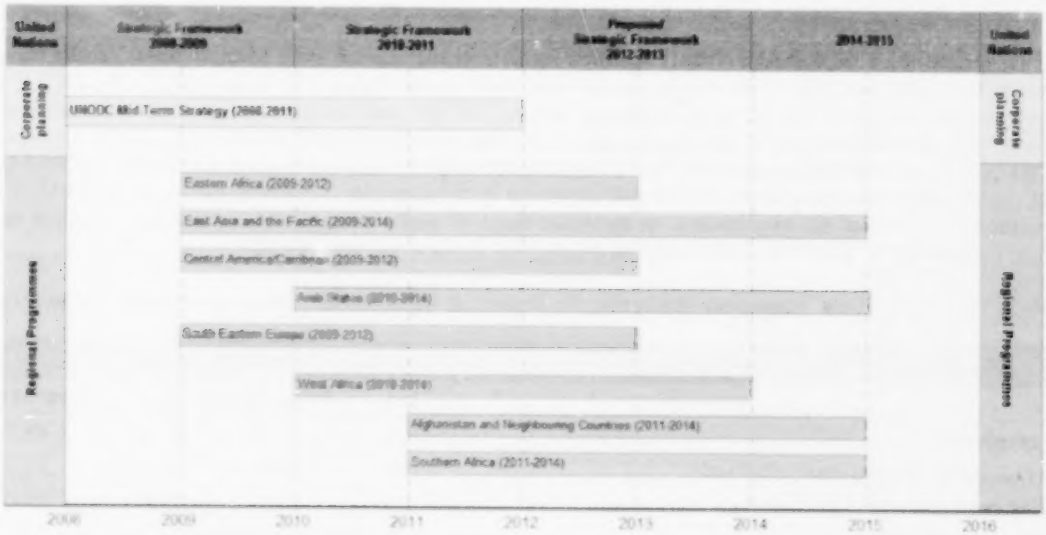
[12] Strategy for the period 2008-2011 for the United Nations Office on Drugs and Crime, E/CN.7/2007/14- E/CN.15/2007/5, approved by Economic and Social Council resolutions 2007/12 and 2007/19.

[13] As of December 2010, Thematic Programmes include: (a) Action against Corruption and Economic Crime, (b) Crime Prevention and Criminal justice reform, (c) Addressing Health and Human Development Vulnerabilities in the Context of Drugs and Crime, (d) Scientific and Forensic services, (e) Terrorism Prevention, (f) Research and Trend Analysis and (g) Organized Crime and Illicit Trafficking (including THB, Smuggling, Money Laundering, Firearms).

on lessons learned from programmes already designed. Some regional and thematic programmes are currently under development.

The multiple layers and timeframes that UNODC has to face in its strategic planning processes are shown in figure 5 below, which also shows that all planning documents are not fully aligned as they are conceived and developed gradually.

Figure 5: Strategic planning at UNODC



There are many benefits expected from the thematic and programmatic approach: (a) the enhanced dialogue with Member States therefore increasing ownership via the involvement of regional actors at the drafting stage and their participation in the steering committees at the implementation stage; (b) the potential for resource mobilization and softer earmarking done at the programme level rather than at single projects; (c) the increased administrative effectiveness by dealing with a number of management activities at the programme level, and (d) the creation of a reinforced oversight framework in which headquarters and field offices would contribute to increased accountability.

However, some more problematic aspects have been identified: (a) UNODC has to better manage the transition and the phasing out of existing projects into programming; (b) UNODC has to manage the coexistence in its portfolio of programmes and national projects developed according to local situations; (c) UNODC needs to adjust current managing and reporting corporate tools to meet the full requirements for financial and administrative support of more comprehensive programmes (such as reporting, tracking down information, monitoring pledges, expenditures, etc.); (d) UNODC has to reconcile the alignment of various programming layers that are not developed, drafted and endorsed at the same time.

The Inspectors conclude that strategic planning at UNODC represents a challenge given the context characterized by the unpredictability of resources mainly due to earmarking. However, they stress that strategic planning should be based on long-term vision and prioritization (recommendation 2) of actions to reach targeted outcomes. This is of primary importance for an organization like UNODC to avoid donor-driven programmes and activities. The Inspectors also recommend a thorough independent evaluation of thematic and regional programming implementation to be conducted and be presented to the governing bodies.

The implementation of the following recommendation is expected to enhance the efficiency of the Office.

Recommendation 9

The Executive Director should present an independent evaluation of thematic and regional programming and report on its implementation status, impact and lessons learned to the Commission on Narcotic Drugs and the Commission on Crime Prevention and Criminal Justice by the end of 2013.

While the results-based management (RBM) approach receives strong support from Member States, in the view of the Inspectors, the Office continues to face a number of challenges in that regard. The online survey showed that there is relatively low and disparate level of RBM knowledge among UNODC staff members, a fact that was confirmed during interviews with relevant managers. It was encouraging to see that professional staff members are more aware about RBM but at the same time, it should be noted that 36 per cent of them stated that the objectives and expected results of UNODC are not clearly communicated to them. The doubts expressed in the responses concerning the impact of RBM on overall performance improvement are troublesome, in particular those of senior managers (4.2 per cent of positive answers). Based on the answers to the survey, there is also an urgent need for more training on RBM.

Table 5: Views of UNODC employees concerning the impact of RBM on the Office performances (in percentage)

In your view, has the implementation of RBM improved the overall performance of UNODC?				
	Yes	**Somewhat**	**No**	**Don't know**
All employees	8.6	21.7	20.8	48.9
International Professional staff only	5.6	26.4	32.6	35.4
Senior managers (P-5 and above)	4.2	27.1	43.8	25.0
Headquarters staff	5.7	24.1	24.1	46.1
Field staff	10.0	20.2	19.0	50.8

Source: JIU survey 2010.

Previous OIOS observations pointed out the difficulties in planning and results-based management at UNODC. The Inspectors consider that a stronger RBM culture at UNODC would certainly benefit the organization by contributing to donors' better understanding of the Office's activities and achievements, via increasing transparency and accountability. This is a way to reinforce the confidence of donors, therefore attracting more resources. The Inspectors reviewed several planning documents and acknowledged progress in recent years taking into consideration that some difficulties might arise in identifying relevant parameters measuring achievements in areas such as drugs or crime, which are delicate by nature.

The Inspectors encourage UNODC managers and regional representatives to continue their efforts to increase the pertinence, relevance and quality of indicators. The Inspectors encourage UNODC senior management to further develop a planning and result-based culture to progressively create institutional knowledge and a shared RBM culture among staff.

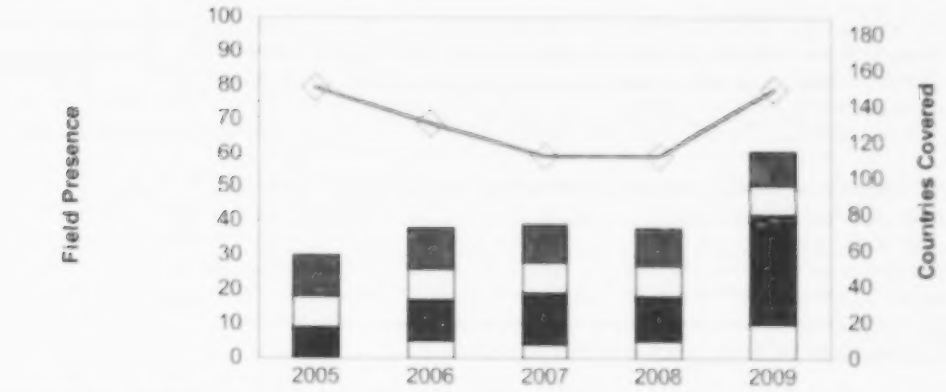
E. Challenges related to field presence

Since its creation, UNODC has significantly developed its field presence and countries coverage that corresponds to the expansion of its portfolio of technical cooperation activities. As shown in figure 6 below, the Office's field network encompasses four categories of entities, namely (a) Regional Offices (headed by a Field Representative); (b) Country Offices (headed by a Field Representative or a Country Manager); (c) Programme Offices (headed by a Chief or Programme Coordinator, as appropriate), and (d) advisers. Annex III contains a map of UNODC field deployment.

The Inspectors noted the UNODC efforts to further formalize the structure and the nomenclature of its field network. In 2010, the Excom endorsed the guidance note defining the respective roles, duties and responsibilities of each entity and

their interactions with other entities within and outside UNODC. During the review, it was however obvious that this document was not sufficiently made known in the Office, even within the field representatives' community. There is thus a need to disseminate this concept note to ensure that field offices comply with their provisions and directives.

Figure 6: Evolution of UNODC field presence (2005-2009)



	2005	2006	2007	2008	2009
Regional Offices	12	12	11	11	10
Country Offices	9	9	9	9	9
Programme Offices	9	12	15	13	32
Advisors		5	4	5	10
Countries Covered	151	131	113	113	150

Source: Data consolidated on the basis of UNODC Annual Reports and information provided by UNODC. Country coverage may change during a given year.

The operating environments of UNODC field offices vary tremendously from one country office to another, so do the scope and the nature of activities carried out. The Inspectors wish to highlight that the field presence is perceived by survey respondents as beneficial for the Office and its delivery capacity. Almost 60 per cent consider that field presence is successful and contributes to improve UNODC capacity to deliver. Only 5.2 per cent expressed negative opinion.

However, during the review, there was a consensus that UNODC presence in the field remains limited in terms of resources and expertise available. As a matter of fact, field deployment is almost entirely sustained by extrabudgetary sources, so is the Division of Operations. This creates tensions and uncertainty and might have an influence on programme priorities as well as on mandates implementation. Among field entities there are self-sustained offices (dealing with a large portfolio of projects) or subsidized offices (dealing with a smaller project base).

At this point in time, building on the prioritization exercise (recommendation 2), **the Inspectors believe that the Office should redefine the strategic approach of its field presence and reconfirm its deployment principles, in particular the strategy to strengthen its regional presence and/or its country deployment**.

There are a number of management challenges at field level. The efficiency and effectiveness of the field presence is strongly related to the leadership and management capacities of the Field Representatives. Often, an office functions with one or two international staff complemented by local staff. The Inspectors noted that the level of UNODC representatives varies from P-4 to D-1, according to the size of the operations for which they are responsible. The job descriptions of these positions are dated from 1999 and there is certainly a need to update them taking into account the evolution of the Office and its field operations. In that context, the Inspectors noted that efforts are underway to develop generic job descriptions for the heads of field offices and of regional offices. The Inspectors also encourage UNODC to continue to enrol its Field Representatives to leadership and management training modules that could contribute to enhance managerial capacity of UNODC field office.

Due to its limited capacity, UNODC relies on UNDP for support services in areas such as selection and administration of field personnel, financial and administrative management of field offices, administrative support to projects, etc. The Inspectors heard a number of remarks regarding the delays and the quality of services provided to UNODC field offices. It was also recognized that the local situation was a major element of variability in terms of quality of services. The Inspectors also consider that UNODC itself has a central role to play in smooth functioning of these arrangements.

Most of field deployed employees are hired as service contractors by UNDP under UNDP contractual status and according to UNDP policies. They are contributing to implement the Office's mandates while they are not considered as UNODC staff. The fact that various contractual status coexist might entail consequences in terms of management. It creates differences among employees and also imposes cumbersome processes and procedures on managers that are facing two sets of rules and regulations, which at times can be contradictory. There are also differences in staff status, entitlements, performance appraisal system and administration of justice processes. Ultimately, the situation might impair the quality of delivery by impacting on staff motivation as well as on staff retention.

A 1997 Memorandum of Understanding defines the working arrangements and services provided under the Universal Price List, which is often competitive. In the Inspectors' opinion, the MOU provisions with regards the assessment of services and the mechanisms for conflict resolutions are too general. UNODC should consult with UNDP to amend the MOU with precise performance indicators to ensure a shared framework for assessing performances and services. The Inspectors also encourage UNODC to keep in mind alternative solutions. UNODC uses services offered by UNOPS in project management, procurement, human resources and financial management for which a comparative advantage exists. Options to establish collaborations with the United Nations Department of Field Support or to retain some administrative actions at central level and act remotely, when possible could be explored as well. Explorations are also under way with United Nations Offices in co-locations (for example in Nairobi or Bangkok). More generally, while for programmatic aspects, field officers have most of the time a counterpart at Headquarters, the administrative supporting structure and mechanisms have not been adjusted to face the increased decentralized presence. It is time for UNODC to put in place a specific structure dealing with field operations support.

The implementation of the following recommendation is expected to enhance the effectiveness of the Office.

Recommendation 10

The Executive Director should consult at the earliest opportunity with the Administrator of the United Nations Development Programme in order to review and update the existing Memorandum of Understanding with a view to include provisions for the assessment of services.

Monitoring of field activities is a requirement but is, to some extent, impeded by a lack of internal capacity. Recent audits show that in addition to existing check and balance mechanisms, there is a need to increase administrative and financial oversight from Headquarters on field offices. The Inspectors are pleased that UNODC has developed a new monitoring system for performance and efficiency of its field operations as presented during the 2010 Field Representatives Seminar. By doing so, UNODC endeavours to set the conditions (a) to demonstrate more corporate accountability via transparency and documented records in order to assist UNODC corporate oversight, decision making and organizational learning;

(b) to measure programme performance throughout its implementation; and (c) to promote organizational learning. Strong corporate commitment to support this system, with full cooperation of all concerned entities (field offices but also other UNODC entities such as FRMS, ITS, Tasks Teams, IEU, SPU, CPS, Quality Control and Oversight Unit) appears as the prerequisite for success.

V. HUMAN RESOURCES MANAGEMENT

Human resources management remains under the United Nations framework. The UNOV/UNODC Human Resources Management Section (HRMS) has therefore a limited scope for action in a number of areas. As part of the United Nations Secretariat, UNODC targets are defined and assessed in many areas through the United Nations objectives as expressed in the Human Resources Action Planning Cycle (HRAP). For the purpose of this review, the Inspectors wished to analyse figures in a larger perspective by including positions funded by means other than regular budget.

Due to the dual nature of activities of the Office (normative and technical cooperation), the Inspectors draw attention to the fact that some of the United Nations rules might not be fully adapted to the Office's needs, in particular with regards its increased field dimension. In some aspects, the Office now presents the profile of a specialized agency (focused expertise, field presence, need for rapid responsiveness, etc.).

The funding modalities create constant tensions about job security, which is a concern of most UNODC employees. The survey confirms that the impact on corporate performance is not negligible and seems higher within the Professional category. The Inspectors noted the efforts of UNODC in that matter as in the case of the cost saving exercise in 2009 during which very few jobs were lost. But it must be noted that respondents were not receptive to this action and pointed out the fact that UNODC has no mechanism to face and alleviate job uncertainty, as it is often the case in a similar context.

Table 6: Views of various categories of UNODC employees regarding impact of job uncertainty (in percentage)

In your opinion, to what extent does job uncertainty at UNODC affect overall performance?					
	Considerably	**Not so much**	**Somewhat**	**Insignificantly**	**Not at all**
All employees	63.3	12.5	20.4	2.4	1.4
International professional staff only	72.5	7.3	16.9	2.8	0.6
Headquarters staff	67.5	9.2	18.9	3.1	1.3
Field staff	61.3	14.6	20.4	2.1	1.5

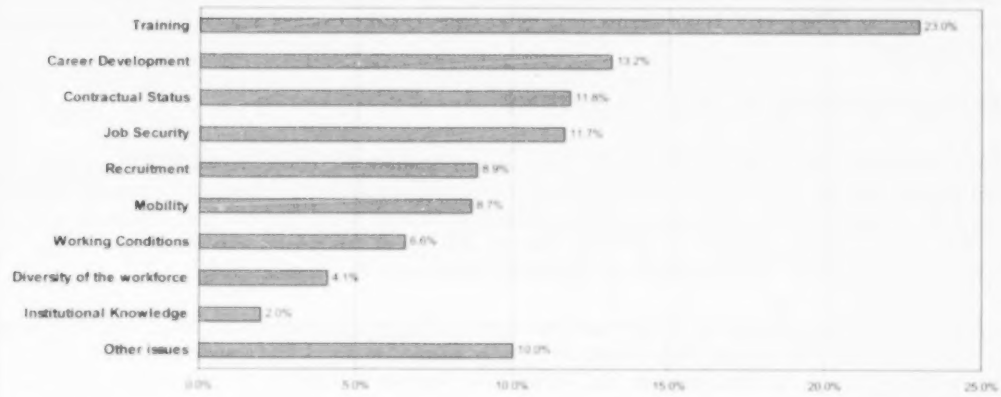
Source: JIU survey 2010

A. Human resources flagged as problematic

The Inspectors are aware that human-resource issues tend to generate debates, discussions and frustration among staff of any international organizations. Nevertheless, the examples provided during interviews sessions and the extremely critical comments expressed via the survey are indicative of the views of UNODC staff regarding aspects such as transparency of procedures and selection processes, compliance with rules and consistency in their application, impression of favouritism and doubts regarding equity towards candidates, gender biases, etc. **The Inspectors are convinced that it is of primary importance to address these perceptions by applying and demonstrating the highest degree of compliance, transparency and communication in these matters at all stages in order to avoid ground for frustration and rumours.**

In addition, numerous criticisms regarding the poor quality of services provided by the Human Resources Management Section were made describing HRMS as not sufficiently client-oriented. The Inspectors recommend that HRMS take measures to collect clients' feedback on a more regular basis in order to identify its clients' perception and adjust accordingly if possible within its capacity and resources.

Figure 7: Human-resources issues mentioned by UNODC employees



Source: JIU survey 2010.

Mobility is determined by the United Nations policy which is currently being re-evaluated. In that area, UNODC participates in the Voluntary Initiative for Network Exchange (VINE) to promote mobility of staff. The Inspectors believe that, despite the absence of a required mobility scheme, more rotation between headquarters and field staff members could benefit the Office by developing better corporate and institutional knowledge based on increased sharing of experiences. At the moment, Professionals who are the primary target of the mobility scheme, consider that UNODC does not sufficiently encourage such rotation. The Inspectors consider the absence of such system as a missed opportunity in UNODC's context.

With regard to human resources matters as well as for other critical issues of staff interest, the Inspectors recall that, since 2009, the Regional Branch of the United Nations Ombudsman in Vienna constitutes an opportunity for staff to raise issues of concerns and explore ways of informal problem solving.

B. UNODC workforce

Tables 7 and 8 provide a snapshot of the UNODC workforce composition. The Inspectors wish to stress the difficulties encountered in having a clear picture of UNODC staffing due to shared resources with UNOV. As a consequence, data presented were extracted from the IMIS database and do not include staff members working in the Division of Management.

Table 7: UNODC workforce by locations for the years 2005 and 2009, distributed by regular and extra-budgetary funding

	2005		2009		2005 (%)		2009 (%)	
	RB	XB	RB	XB	RB	XB	RB	XB
Headquarters staff	135	304	159	509	30.8	69.2	23.8	76.2
Field staff	2	392	2	1940	0.5	99.5	0.1	99.9
All employees	137	696	161	2449	16.4	83.6	6.2	93.8

Source: Data consolidated on basis of figures provided by UNODC.

Table 8: UNODC workforce by categories for the years 2005 and 2009, distributed by regular and extra-budgetary funding

	2005		2009		Percentage Growth	
	RB	XB	RB	XB	RB	XB
Headquarters staff	**135**	**304**	**159**	**509**	**17.8**	**67.4**
International Professional Staff	70	73	80	95	14.3	30.1
General Service	41	55	43	55	4.9	0.0
Individual Contractors	12	7	3	40	-75.0	471.4
Consultants	12	16	33	79	175.0	393.8
Other: (JPO/Associate Experts/Volunteers).	-	78	-	15	-	-80.8
Interns	-	75	-	225	-	200.0
Field staff	**2**	**392**	**2**	**1940**	**0.0**	**394.9**
International Professional Staff	1	67	1	100	0.0	49.3
General Service	1	1	1		0.0	-100.0
External contractors	-	226	-	1290	-	470.8
Consultants	-	39	-	366	-	838.5
National officers	-	19	-	27	-	42.1
Other: (JPO/Associate Experts: Intern, Volunteer, etc.)	-	14	-	9	-	-35.7
UNDP hired staff*	-	26	-	148		469.2
Total by source of funding	**137**	**696**	**161**	**2449**	**17.5**	**251.9**
Total employees	**833**		**2610**		**+ 213.3**	

Source: Data consolidated on basis of figures provided by UNODC

There is a general increase of the workforce coincident with a reduction of the proportion of positions funded by regular budget resources. The ratio RB/XB illustrates the risk for business continuity, organizational effectiveness, retention of expertise and institutional knowledge at UNODC. In 2005, RB positions represented 16.5 per cent of the workforce (83.5 per cent of XB-funded posts) but dropped to 6.1 per cent in 2009. The Inspectors also noted that two categories of the workforce (interns and consultants) are characterized by a sharp increase. In parallel, the Junior Professional Officers (JPO) category has significantly reduced.

Internship programmes at United Nations entities are seen as a positive experience for all parties involved: organizations, supervisors and interns. The Inspectors question the considerable and increasing recourse to interns at Headquarters which might indicate a lack of the necessary resources to meet requirements of the Office. In that context, it is challenging, to say the least, to comply with policy requirements of creating a working environment conducive to interns' substantive learning and professional development accompanied by a proper supervision.

Contractors and consultants have been increasing as well due to the expansion of the portfolio. For instance, the number of consultants in the field has greatly multiplied. The Inspectors are concerned in particular since, as noted by the Board of Auditors in a number of reports, the management of consultancy contracts at local level might be challenging with regards aspects such as selection, monitoring and evaluation.

C. Gender balance and workforce diversity

Table 9 demonstrates the sharp difference in the proportion of females to males according to the hierarchical level. The gender distribution within the entire Professional category has slightly improved and the female share reached 42.4 per cent in 2009. Improvement also occurred concerning senior level positions (P-5 and above), even though these posts are still largely held by males (more than three quarters). At field level, the gender distribution of field representatives is more unfavourable (17.6 per cent female), while for consultants it is estimated at 38 per cent female. This situation generated comments during the interviews and complaints via the survey that UNODC was "a male-dominated organization".

Table 9: Gender distribution in UNODC at Professional level and above for the years 2005 and 2009

	2005	2009	2005 (%)	2009 (%)
All Professional staff				
Female	85	117	40.3%	42.4%
Male	126	159	59.7%	57.6%
Senior Professional staff (P5 and above)				
Female	10	15	16.4%	24.2%
Male	51	47	83.6%	75.8%

Source: Data provided by UNODC

The same positive trend regarding gender balance is noticeable for recruitment and promotion exercises in the professional category. But again, the promotion at senior level remains male dominated. The forecasts for retirement at senior level in the next three years create an opportunity for action to increase women representation as 8 out of the 10 senior positions concerned are currently occupied by male staff members. The Inspectors urge the Executive Director to seize this opportunity to better balance the gender representation within senior managers.

Table 10: Gender distribution of recruitment and promotion at Professional level and above for the period 2005-2009

Recruitment (RB)	Total 2005-2009	Total (%) 2005-2009
All Professional staff		
Female	10	47.6%
Male	11	52.4%

Not enough recruitment exercises were conducted involving senior professional staff (P5 and above) to draw any conclusion

Promotion (RB)	Total 2005-2009	Total (%) 2005-2009
All Professional staff		
Female	31	64.6%
Male	17	35.4%
Senior Professional staff (P-5 and above)		
Female	5	33.3%
Male	10	66.7%

Source: Data provided by UNODC

The implementation of the following recommendation is expected to enhance gender representation at senior level within the Office.

Recommendation 11

The Executive Director should undertake further measures to improve the gender balance at senior level, including for Field Representatives.

The issue of the diversity of UNODC workforce also requires some attention. Annex II shows that geographic origin of Professional staff is not sufficiently balanced. While 68 nationalities were represented among UNODC Professional workforce in 2009, almost one third of these originate from three countries of the Western European and Others Group (WEOG) of States. This situation should be addressed by a medium-term proactive recruitment strategy. After reviewing data on recruitment and promotion exercises, the Inspectors would like to see more serious and consistent efforts made to broaden the diversity of recruitment towards candidates from developing countries, including at senior level.

The geographical balance of consultants is also worrisome. In 2009, four countries (namely, the United Kingdom, Australia, the United States and Canada) contributed 51 per cent of the consultants' pool. This concentration means a loss of diversity of expertise and experiences and a loss of participation and contributions from other regions. Even though the directors for DTA and DO advocated for enlarging the diversity of consultants' nationalities, the situation has not improved much.

Given the specificity of the mandates, UNODC workforce has to be highly specialized in various areas such as trafficking, corruption, etc. HRMS should take measures to strengthen its capacity for proactively seeking such specialized expertise; in particular in developing countries. UNODC intends to use the features of the new United Nations recruitment tool Inspira to support such outreach efforts.

The implementation of the following recommendation is expected to enhance geographical balance of the professional workforce of the Office.

Recommendation 12

The Executive Director should establish a clear plan of action to broaden the diversity of the Professional workforce, as well as of the pool of consultants, in particular by considering more candidates from developing countries.

D. Insufficient training resources, uneven training opportunities

Given the necessity of maintaining substantive expertise in legal and varied technical areas, training and retraining of staff is strategic for UNODC. As shown in figure 7 above, training is one of the biggest interests of staff that responded to the survey.

While the Inspectors noted that the number of staff trained doubled in the last five years, the following issues retained the Inspectors' attention:

(a) Training funds are provided on the basis of the workforce as funded by regular budget resources, not taking into account staff members financed via other funding types. As a consequence, resources for training are notably insufficient. UNODC has proactively introduced creative solutions to widen as much as possible enrolment, but with limited impact.

(b) Access to training is not only limited but also uneven among categories of staff. Field-based staff members are not sufficiently exposed to training opportunities, despite the existence of online modules. At the local level, contractual status is also an obstacle. In the opinion of the Inspectors, this situation entails a major corporate risk as staff responsible for key operational procedures or provision of services is likely not to receive sufficient and regular coaching. Expectations of holding decentralized training events were limited by financial restrictions. As a consequence, field staff often goes through a "learning by doing" process.

(c) As mentioned, UNODC deals with very specific skills and competencies, therefore the adequacy of training, in particular upgrading of substantive and technical skills to enhance professional effectiveness of UNODC officers is of primary importance. In that regard, the Inspectors draw attention to the fact that only 27 per cent of the survey respondents in the Professional category were satisfied with the adequacy of training provided to them. The Inspectors also consider that it could be beneficial to develop basic training modules on all UNODC mandates in order to increase corporate understanding and knowledge.

VI. OVERSIGHT

A. Oversight framework

The oversight framework is presented in figure 1 of this report, together with the governance arrangements. As part of the United Nations Secretariat, UNODC is subject to internal oversight from the Office of Internal Oversight Services (OIOS) which is responsible for audit, evaluation, inspection and investigation functions. OIOS follows a risk-based approach to select its audit or inspection/evaluation assignments and produced a number of reports in each of these specific areas.

A 1999 Memorandum of Understanding governs the audit arrangements (resources funding, planning, etc.). The Inspectors share the recommendation of the Board of Auditors to consider the update and revision of this agreement. In their opinion, these arrangements do not take sufficiently into consideration the expansion of the field presence and the development of UNODC portfolio in the last decade. Initial steps have been undertaken in that regard.

With regard to evaluation, in addition to the recent inspection of UNODC monitoring and evaluation systems, the Inspectors were informed that OIOS expects to conduct a comprehensive programme evaluation of the Office in the next two years. Within existing resources UNODC is likely not to be subjected to another such evaluation for over a decade, which is not in line with the eight-year cycle envisioned by OIOS as adequate and reasonable in the United Nations context.

The Joint Inspection Unit provides independent external oversight to the Office, which is one of its participating organizations. The Inspectors commend the compliance and timeliness of UNODC feedback to the annual request for follow-up information on recommendations included in JIU reports and notes. The Inspectors welcome the fact that the WG on Governance and Finance requested that "relevant JIU reports and the summary of relevant OIOS reports should also be submitted to the Commissions".[14] The Inspectors consider that it could contribute to enhance oversight, keeping in mind that consideration of JIU reports and resulting actions by General Assembly are in principle applicable to the Office.

Concerning JIU reports and notes issued during the period 2004-2009, UNODC accepted 40 per cent of recommendations addressed to it. The implementation phase of accepted recommendations is very satisfactory, with more than 90 per cent marked as either implemented or in progress. The rather low acceptance rate can be explained by the fact that a number of recommendations included in system-wide JIU reports is addressing matters related to policies and guidelines as developed and implemented at the level of the United Nations and its Secretariat and for which the Office has little latitude to take action.

The Board of Auditors audits the consolidated financial statements and reviews the operations of the Office for each biennium. The Board issued an unqualified audit opinion for 2006-2007 and 2008-2009 but pointed out a series of issues

[14] See E/CN.15/2009/21.

that require attention by UNODC. The Inspectors urge UNODC to take appropriate measures to implement the recommendations made by the Board in previous reports that are not currently fully implemented.

The Inspectors also noted that UNODC did not currently have a system of monitoring the implementation of accepted oversight recommendations, either internal or external. They believe such a system should be urgently developed.

The implementation of the following recommendation is expected to enhance the accountability and performance of the Office.

Recommendation 13

The Executive Director should undertake measures to create, by the end of 2011, an internal system to monitor the implementation of recommendations made by relevant oversight bodies.

B. Towards a strengthened corporate evaluation capacity

At the time of the review, and despite significant attention given by Member States and by UNODC in recent years to the Independent Evaluation Unit (IEU), the evaluation function at UNODC was not considered as giving sufficient assurance to Member States and donors on the assessment of UNODC performance. In the view of the Inspectors, this is a priority area of consideration as it is of primary importance for UNODC to be able to measure and demonstrate the effectiveness and efficiency of its programme delivery and related programmes outcomes. In addition, the IEU has a role to play in many important areas such as accountability, learning mechanisms and enhanced project/programme designing within the Office.

The issue of independence of the evaluation function arising from previous structural and reporting arrangements were addressed by placing the IEU under the Executive Director in the Office's structure. The Inspectors wish to stress the need to further promote a corporate evaluation culture, as a shared responsibility: (a) Member States have to grant sufficient resources and exercise their oversight responsibility in particular with regards how the findings of evaluations are used by management. The fact that Member State representatives have explicitly requested that evaluation reports should be circulated to the governing bodies directly and at the same time to UNODC senior management is welcomed by the Inspectors as a sign of commitment; (b) UNODC senior managers should create the conditions for a strong corporate evaluation capacity and create the mechanisms to ensure that evaluation findings and lessons learned are fed-back into the future project and programme cycles; (c) the evaluation unit itself has to contribute to its own credibility and demonstrate its usefulness by producing high quality evaluation reports in compliance with professionals norms and standards, and (d) UNODC staff at all levels (senior managers, mid-level or project managers, substantive officers) have to adopt an open and supporting attitude towards evaluations conducted.

VII. OTHER ISSUES

A. The International Narcotics Control Board

The International Narcotics Control Board (INCB) is the independent and quasi-judicial monitoring body for the implementation of the three United Nations international drug control conventions: the Single Convention on Narcotic Drugs (1961), the Convention on Psychotropic Substances (1971); and the United Nations Conventions against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988). Established in 1968 in accordance with the Single Convention on Narcotic Drugs, it had predecessors under the former drug-control treaties as far back as the time of the League of Nations.

INCB plays a pivotal role in the international fight against illegal drugs. It is assisted by a secretariat in the exercise of its treaty-body functions. The INCB secretariat is an administrative entity of the United Nations Office on Drugs and Crime,

but is responsible solely to the Board on matter of substance. To ensure its independence, INCB secretariat is funded through United Nations regular budget resources.

The Inspectors believe that better understanding and cooperation between UNODC and INCB secretariat would ensure the smooth functioning of INCB. The need to improve these relationships was indeed expressed by both sides, pointing out some difficulties in terms of budget resources and management, recruitment of staff, procurement and administrative support.

The reporting line of the INCB secretary (D-1) within the UNODC organizational structure has caused some concerns as it reports to the Head of the Division for Treaty Affairs rather than directly to the Executive Director. The Inspectors consulted Economic and Social Council resolution 1991/48, endorsed by General Assembly resolution 46/104, on the administrative arrangements between INCB secretariat and the International Drug Control Programme, the predecessor of UNODC. The resolution says: "The Secretary of the Board shall be appointed or assigned by the Secretary-General in consultation with the Board". The secretary shall be responsible to the Board in all substantial matters and to the Executive Director in other matters. Based on the resolution, the Inspectors hold that to ensure the independence of INCB and its secretariat, the secretary should report directly to the Executive Director.

The implementation of the following recommendation is expected to enhance the accountability and performance of the INCB secretariat.

Recommendation 14

The Executive Director should modify at the earliest opportunity the existing reporting lines of the INCB secretary, and place this position directly under his responsibility in the organizational structure.

B. UNOV/UNODC arrangements

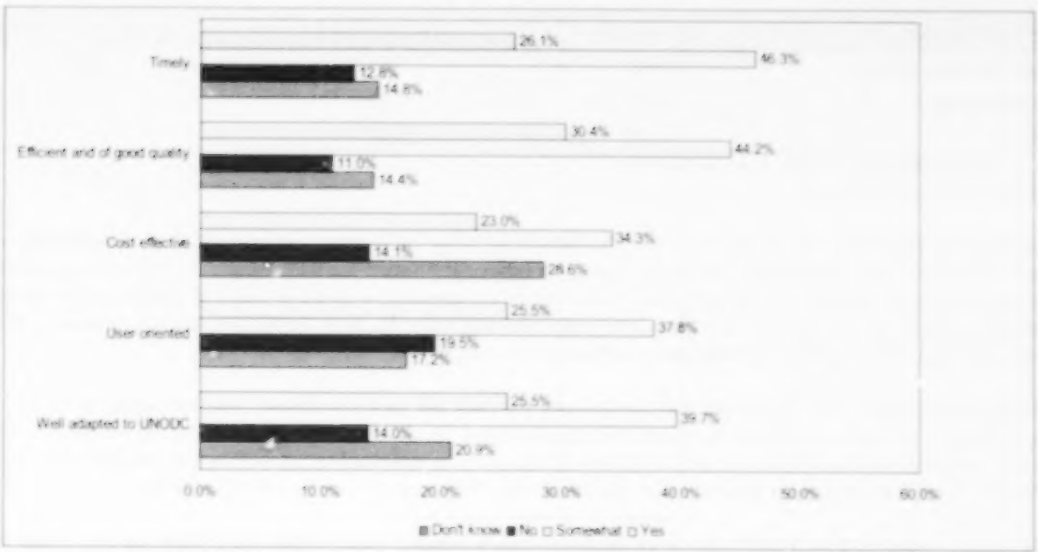
The current organizational structure of the United Nations Office at Vienna and the United Nations Office on Drugs and Crime were established by ST/SGB/2004/5 and ST/SGB/2004/6, respectively. The main characteristic is that UNOV and UNODC, as separate entities, are sharing one Division for Management that provides services to both entities, as well as to other United Nations entities at Vienna. Core functions of the division are split between both offices.

While the arrangements are satisfactory in practice at the working level and are not questioned by the Inspectors as such, it should be noted that in 2010 the Board of Auditors raised the point of shared administrative services such as financial management and noted difficulties to precise breakdown of staff and related costs between UNOV and UNODC.[15] As an example, it was pointed out that management costs of UNODC can therefore not be easily identified and estimated. In the course of the review, the Inspectors encountered difficulties in collecting data focusing only on UNODC staffing, for example.

Figure 8 below provides a summary of the views of respondents with regard several aspects of services provided by the Division of Management in support of UNODC activities.

[15] See A/63/5/Add.9, Financial report and audited financial statements.

Figure 8: Assessment by UNODC employees of the services provided by the Division of Management



Source: JIU survey 2010.

C. Information and communication technology services

The UNOV/UNODC Information and Technology Section (ITS) has solid reputation and a high profile within the United Nations in terms of advanced ICT capacities, as recognized by several user-satisfaction surveys. During the review some comments, however, were registered that ITS could concentrate more on providing timely and good support services to UNODC various units.

In addition to support services, ITS also develops software applications for external clients, mainly Governments, in areas covered by UNODC programmes such as money-laundering and financial crime, and for which few alternatives are available on the commercial market. These substantive services are viewed as technical cooperation activities provided on a costs recovery basis and are governed by service level agreements. UNODC pointed out that "the ability of Member States to effectively carry out their mandates in areas such as drug control, statistical reporting and monitoring, criminal justice reform and countering money laundering and terrorist financing is significantly enhanced by the employment of sophisticated IT solutions and communications infrastructures". While they do not question the added value for Member States, the Inspectors wish to stress that these activities should be conducted in full coordination with other UNODC entities. For example, the Inspectors stress that UNODC field representatives should be aware of and associated with all technical cooperation activities were conducted by ITS in support of Governments of countries falling into their regional scope.

VIII. SURVEY HIGHLIGHTS

UNODC employees contributed to the Inspectors' review through an online survey made available to both Headquarters and field-deployed staff in May and June 2010. The link was distributed through the UNODC information management system and responses were collected and processed confidentially by the Inspectors. The participation rate, in particular at Vienna, is illustrative and statistically representative of the views of some categories of staff. The findings based on aggregated and filtered data by various categories of staff and locations have been included in the narrative of the report.

Table 11: Participation in the JIU survey 2010, by location

Locations	Recipients	Respondents	Participation rate
Vienna Headquarters	464	269	58 %
Field locations*	1350	368	27.3 %
Total	1814	665**	36.7 %

* *Includes all staff located outside of headquarters.*

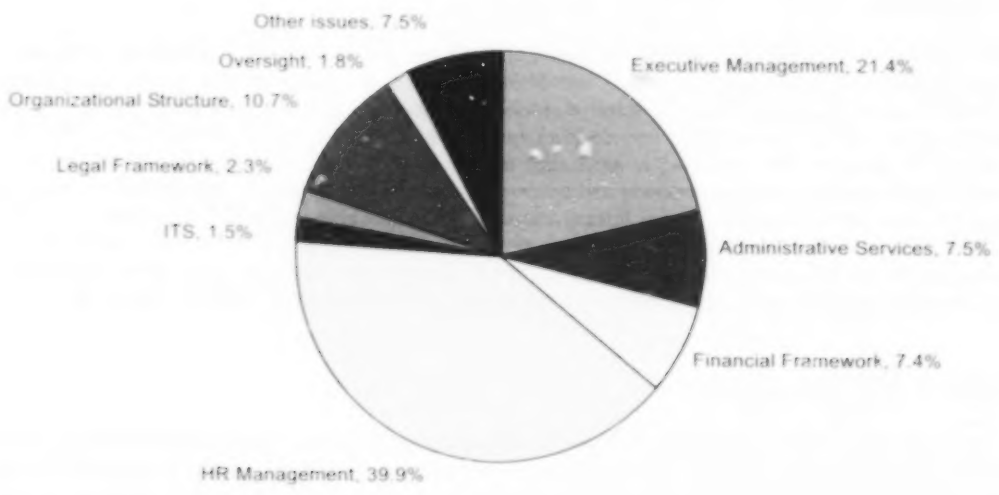
** *Includes incomplete surveys.*

In analysing the responses, the Inspectors noted the following points of interest: (a) international Professionals are often the more critical in their assessment, (b) senior managers (above P-5 level) are surprisingly critical in areas falling under their responsibility by stating that transparency is lacking in the application of rules and regulations and in management decisions; they also do not consider that there is enough encouragement for open discussion, and (c) there are some strong differences of perception between headquarters staff and field employees.

The Inspectors collected 584 comments and suggestions through the open questions. They amounted to 1,526 different points tackling a vast number of management and administration issues within the Office. Through content analysis, the Inspectors categorized these remarks in several broad headings, as represented in figure 9 below. In addition, the opinions expressed by staff were also incorporated in the narrative when they were related to a specific issue.

The Inspectors suggest that a staff survey be conducted on a regular basis within the Office: on one hand, UNODC staff showed that it is keen to contribute to such initiative and on the other hand, senior management could benefit from this feedback expressed by all components of UNODC workforce.

Figure 9: Areas mentioned by UNODC respondents

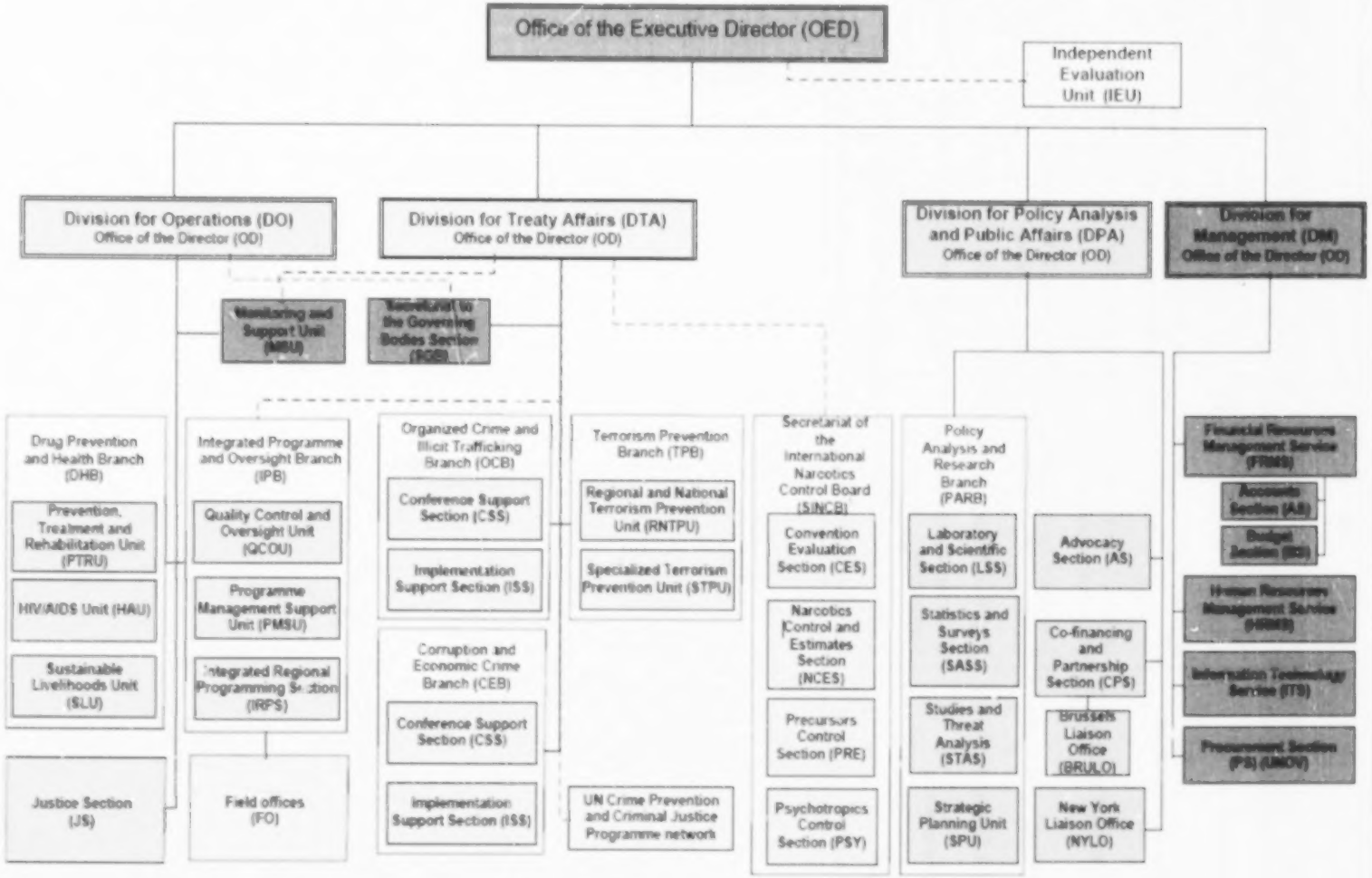


Source: JIU survey 2010.

	Main aspects covered
HR Management	Training, Career Development, Contractual Status, Job Security, diversity of the workforce, Recruitment, Mobility, Institutional Knowledge, Working Conditions.
Executive Management	Transparency, Senior management, Performance Management, Strategic Planning and RBM, Management Practices, communication.
Organizational Structure	Internal Coordination and Cooperation, Internal Communication, Decentralization and Restructuring.
Administrative Services	Feed back on the quality of FRMS, HRMS, Procurement Services, and Relations with UNDP. In particular with regard to field support from HQ.
Financial Framework	Financial Management, Financial Resources and Funding.
Legal Framework	Governance arrangements, mandates of the Office, relevance of rules and regulations.
Oversight	Audit of field offices, evaluation, monitoring of Field Offices.
Other issues	Security, transportation, Project Management and comments of general nature.

ANNEXES

Annex I: United Nations Office on Drugs and Crime organizational chart, as of April 2010 (source UNODC)


Office of the Executive Director (OED)
Independent Evaluation Unit (IEU)
Division for Operations (DO)
Office of the Director (OD)
Division for Treaty Affairs (DTA)
Office of the Director (OD)
Division for Policy Analysis and Public Affairs (DPA)
Office of the Director (OD)
Division for Management (DM)
Office of the Director (OD)
Monitoring and Support Unit (MSU)
Secretariat to the Governing Bodies Section (SGB)
Drug Prevention and Health Branch (DHB)
Prevention, Treatment and Rehabilitation Unit (PTRU)
HIV/AIDS Unit (HAU)
Sustainable Livelihoods Unit (SLU)
Integrated Programme and Oversight Branch (IPB)
Quality Control and Oversight Unit (QCOU)
Programme Management Support Unit (PMSU)
Integrated Regional Programming Section (IRPS)
Organized Crime and Illicit Trafficking Branch (OCB)
Conference Support Section (CSS)
Implementation Support Section (ISS)
Corruption and Economic Crime Branch (CEB)
Conference Support Section (CSS)
Implementation Support Section (ISS)
Terrorism Prevention Branch (TPB)
Regional and National Terrorism Prevention Unit (RNTPU)
Specialized Terrorism Prevention Unit (STPU)
UN Crime Prevention and Criminal Justice Programme network
Secretariat of the International Narcotics Control Board (SINCB)
Convention Evaluation Section (CES)
Narcotics Control and Estimates Section (NCES)
Precursors Control Section (PRE)
Psychotropics Control Section (PSY)
Policy Analysis and Research Branch (PARB)
Laboratory and Scientific Section (LSS)
Statistics and Surveys Section (SASS)
Studies and Threat Analysis (STAS)
Strategic Planning Unit (SPU)
Advocacy Section (AS)
Co-financing and Partnership Section (CPS)
Brussels Liaison Office (BRULO)
New York Liaison Office (NYLO)
Financial Resources Management Service (FRMS)
Accounts Section (AS)
Budget Section (BS)
Human Resources Management Service (HRMS)
Information Technology Service (ITS)
Procurement Section (PS) (UNOV)
Justice Section (JS)
Field offices (FO)

Annex II: Geographical diversity at professional level and above (as of December 2009)

Nationality	Number of staff	In per cent		Nationality	Number of staff	In per cent
Italy	29	10.5 %	23.6%	Belarus	1	0.4%
Germany	19	6.9%		Bosnia and Herzegovina	1	0.4%
United States of America	17	6.2%		Botswana	1	0.4%
Canada	14	5.1%		Cote d'Ivoire	1	0.4%
France	13	4.7%		Czech Republic	1	0.4%
United Kingdom	13	4.7%		Ecuador	1	0.4%
Austria	11	4.0%		Georgia	1	0.4%
Spain	9	3.3%		Ghana	1	0.4%
India	8	2.9%		Honduras	1	0.4%
Denmark	7	2.5%		Indonesia	1	0.4%
Japan	7	2.5%		Iran	1	0.4%
Brazil	6	2.2%		Ireland	1	0.4%
Australia	5	1.8%		Israel	1	0.4%
Belgium	5	1.8%		Kyrgyzstan	1	0.4%
South Africa	5	1.8%		Libyan Arab Jamahiriya	1	0.4%
Egypt	4	1.4%		Mali	1	0.4%
Greece	4	1.4%		Malta	1	0.4%
New Zealand	4	1.4%		Mexico	1	0.4%
Norway	4	1.4%		Mongolia	1	0.4%
Sweden	4	1.4%		Morocco	1	0.4%
Uzbekistan	4	1.4%		Myanmar	1	0.4%
Argentina	3	1.1%		Namibia	1	0.4%
Cameroon	3	1.1%		Paraguay	1	0.4%
Finland	3	1.1%		Peru	1	0.4%
Kazakhstan	3	1.1%		Poland	1	0.4%
Kenya	3	1.1%		Portugal	1	0.4%
Netherlands	3	1.1%		Qatar	1	0.4%
Turkey	3	1.1%		Republic of Moldova	1	0.4%
Azerbaijan	2	0.7%		Romania	1	0.4%
Bolivia	2	0.7%		Russian Federation	1	0.4%
Bulgaria	2	0.7%		Senegal	1	0.4%
China	2	0.7%		Seychelles	1	0.4%
Iran	2	0.7%		Slovakia	1	0.4%
Jamaica	2	0.7%		Switzerland	1	0.4%
Latvia	2	0.7%		Thailand	1	0.4%
Lebanon	2	0.7%		Turkmenistan	1	0.4%
Mauritius	2	0.7%		Uganda	1	0.4%
Pakistan	2	0.7%		Uruguay	1	0.4%
Algeria	1	0.4%		Venezuela	1	0.4%
Bangladesh	1	0.4%		Zimbabwe	1	0.4%
Barbados	1	0.4%		Grand Total	276	100%

Source: Data provided by UNODC.

Annex III: UNODC field presence in 2010 (source UNODC Annual Report 2010)

Regional offices (10)	Country offices (9)	Liaison offices (2)
Brazil and the Southern Cone	Afghanistan	New York
Central Asia	Plurinational State of Bolivia	Brussels
Eastern Africa	Colombia	
Middle East and North Africa	Islamic Republic of Iran	
Mexico, Central America and the Caribbean	Lao People's Democratic Republic	
Peru, Plurinational State of Bolivia and Ecuador	Myanmar	
South Asia	Nigeria	
Southern Africa	Pakistan	
West and Central Africa	Viet Nam	
Centre for East Asia and the Pacific		
Programme offices (32)		
Regional Programme Office in Panama, Regional Programme Office for South Eastern Europe, Sub-Regional Programme Office in the United Arab Emirates (for the Gulf States), Sub-Regional Programme Office in the Libyan Arab Jamahiriya, Albania, Burundi, Cambodia, Cape Verde, China, Democratic Republic of the Congo, Dominican Republic, El Salvador, Ethiopia, Guinea-Bissau, Guatemala, Indonesia, Jordan, Kazakhstan, Kyrgyzstan, Lebanon, Republic of Moldova, Nepal, Occupied Palestinian Territory, Qatar, Romania, Russian Federation, Serbia, Somalia, Sudan, Tajikistan, Turkey, Turkmenistan.		

Annex IV

Overview of action to be taken by participating organizations on the recommendations of the Joint Inspection Unit
JIU/REP/2010/10

		Intended impact	United Nations, its funds and programmes											Specialized agencies and IAEA												
			United Nations[a]	UNCTAD	UNODC	UNEP	UN-Habitat	UNHCR	UNRWA	UNDP	UNFPA	UNICEF	WFP	ILO	FAO	UNESCO	ICAO	WHO	UPU	ITU	WMO	IMO	WIPO	UNIDO	UNWTO	IAEA
Report	For action		☒		☒																					
	For information			☒		☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒
Recommendation 1		e			L																					
Recommendation 2		e			E																					
Recommendation 3		g	L																							
Recommendation 4		e			E																					
Recommendation 5		e			E																					
Recommendation 6		e			E																					
Recommendation 7		e			E																					
Recommendation 8		c			E																					
Recommendation 9		g			E																					
Recommendation 10		e			E																					

	Intended impact	United Nations, its funds and programmes												Specialized agencies and IAEA												
		United Nations*	UNCTAD	UNODC	UNEP	UN-Habitat	UNHCR	UNRWA	UNDP	UNFPA	UNICEF	WFP	ILO	FAO	UNESCO	ICAO	WHO	UPU	ITU	WMO	IMO	WIPO	UNIDO	UNWTO	IAEA
Recommendation 11	o			E																					
Recommendation 12	o			E																					
Recommendation 13	a			E																					
Recommendation 14	a			E																					

Legend: L: Recommendation for decision by legislative organ **E:** Recommendation for action by executive head

Recommendation does not require action by this organization **Intended impact: a:** enhanced accountability **b:** dissemination of best practices **c:** enhanced coordination and cooperation **d:** enhanced controls and compliance **e:** enhanced effectiveness **f:** significant financial savings **g:** enhanced efficiency **o:** other. * Covers all entities listed in ST/SGB/2002/11 other than UNCTAD, UNODC, UNEP, UN-Habitat, UNHCR, UNRWA.